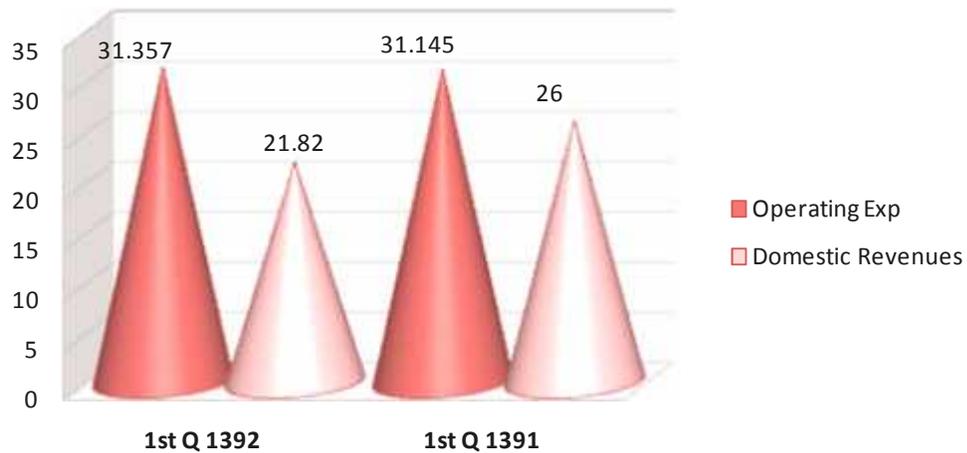




Islamic Republic of Afghanistan
Ministry of Finance
Office of the Deputy Minister for Administration
Reform Implementation & Management Unit

First Quarter Performance Report FY 1392
On Strategic Plan

Domestic Revenues Vs Opt Exp in Afs. Billion



Submitted to: MoF Top Management

Submitted by: RIMU

Submission Date: 22 Sawr 1392

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Executive Summary:

Ministry of Finance had considerable progress towards realization of the annual targets in the first quarter of the fiscal year 1392 particularly on the core budget revenues side; on the other hand, in terms of core budget expenditures, the core development budget expenditures remained low due to certain factors. Most of the other supporting and development activities were achieved as per the set targets.

Domestic revenues both tax and non tax reached to Afs 21.82 B for the 1st quarter of 1392 showing a shortfall of 22% against the IMF target of Afs. 28.11 B for the quarter. Compared with annual target of 1392, Afs. 127.76 B, it has completed 17% of it. Relative to 1st quarter revenues of last year, Afs. 26 B, it shows a decrease of 16%.

As a part of domestic revenues, customs revenues reached to Afs 11.02 B in the first quarter of the year, showing a shortfall of 28% against the first quarter target of Afs. 15.29 B. Compared to last year's first quarter customs revenues, Afs. 12.2 B, it shows a decrease of 10%. Relative to customs revenues annual target for 1392, Afs. 61.15B, it has completed 18% of it.

Core budget/national budget for 1392 is Afs 354.077B (operating budget Afs 196.327B and core development budget Afs 157.750B). Compared to last year's core budget of Afs 269.086B (operating budget Afs 157.082B and core development budget Afs 112.004B) as indicated in the first quarter of last year, it shows an increase of 32%. The operating budget has increased by 25%, and core development budget shows an increase of 41%.

Regarding core budget expenditures, as of end of first quarter, the execution rate of core development budget is 3% for the first quarter, while last year, it was 6% for the same period. This low execution rate of the core development budget is primarily due to low capacity at ministries and government agencies in planning and executing projects. On the other hand, the execution rate of operating budget is 16%, while last year it was 20% for the same period.

Concerning to core budget financing, domestic revenues covered 70% of the total operating expenditures in the first quarter of the year, whereas last year it had covered 83% of it for the same period. It is expected that it shall cover around 65% of the total operating expenditures by the end of the year.

The approved 1392 budget is uploaded on the website on time (immediately after approval by Parliament) and circulated to the line ministries/departments and provincial Mustofiats. The budget statement and the citizen budget are also posted on the website.

The Afghanistan Financial Management Information System (AFMIS) has been maintained in all line ministries and provinces and functionalities for payroll module have been identified. Also all obligations of debt repayment have been settled on time. Financial statements and cash flow projections are issued at the end of month within 20 days, and also Line ministers'

allotment and expenditure is reconciled within 30 days. 35% progress is done regarding to asset registration in line ministries.

The Joint Advisory Committee (JAC), consist of representatives of relevant LMs, IARCSC and PPU, held its final meeting during last week of Hoot 1391 and as a result PPU in collaboration with JAC members finalized and approved organizational structure of 7 Line Ministries as below: (Justice, Hajj Affairs, Women Affairs, MOISAMD, MOTCA, MoRR and MoIC).

MoF 1392 proposed taskheel reached to 8565 positions of which 1811 posts are Ajeers, which is almost 0.2% higher than the number of the tashkeel positions, 8550, in 1391.

Regarding Monitoring and Evaluation of the Strategic Plan, 1391 nine months performance report was prepared both in English and Dari and published in MoF website. The monitoring framework and reporting templates were revised for the FY 1392.

Related to privatization, during the 1st quarter of 1392, SOE Department has collected Afs. 9,089,184 from SOEs as rent, profit and other obligations and paid to SoEs bank account. Also, the SOE law has been amended and sent to MoJ for their review.

With reference to registration of government's properties, properties of 951, including 551 in capital (Kabul) & 400 properties in provinces which comprise apartments, buildings, electricity stations, masques, restaurants and gardens have been registered in first quarter of fiscal year 1392, those properties that newly have been leased and rented is comprised of 17 properties in Kabul and provinces.

Under Office of Chief of Staff , regular management meetings have been held regularly, 7 Presidential Decrees, 298 Presidential Orders and 15 decisions of Cabinet were followed up for execution. Additionally, letters were prepared. Also arrangement of press conferences, invitation of media, publishing of press release and news releases are the main performances that are executed by Media Office.

Under the Office of DM for Policy, 4 NPPs (NPP1,2- ARD cluster, NPP3- ID cluster and NPP3- governace cluster) endorsed it in last JCMB meeting which was held on 12 of Febroury-13 bringing total number of endorsed NPPs to 20.

1. Main Achievements

1.1 Public Finance Management

Core Budget:

Core budget/national budget for 1392 is Afs 354.077B (operating budget Afs 196.327B and core development budget Afs 157.750B). Compared to last year's core budget of Afs 269.086B (operating budget Afs 157.082B and core development budget Afs 112.004B) as indicated in the first quarter of last year, it shows an increase of 31.5%. The operating budget has increased by 25%, and core development budget shows an increase of 41%.

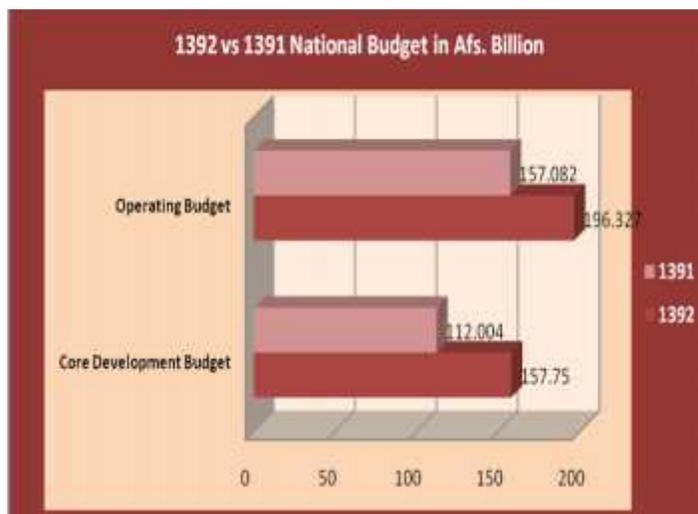
Figures in Afs Billion:

Fiscal Year	Operating Budget	Core Development Budget	Total
1392	196.327	157.750	354.077
1391	157.082	112.004	269.086

Source: Budget Department

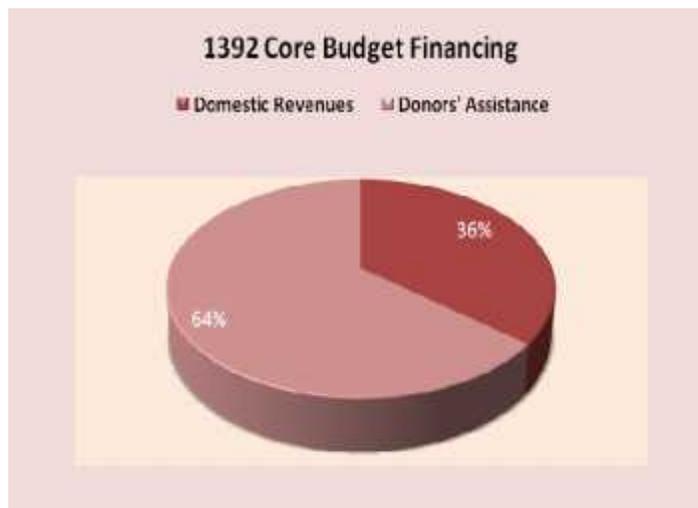
The share of operating budget in the core budget has decreased as compared to that of last year. Operating budget as % of the core budget is 55%, while last year it was 58% as reported in the first quarter.

However, the share of the core development budget in the core budget has increased as compared to that of last year. Core development budget as % of core budget is 45%, while last year, it was 42% as reported in the first quarter.



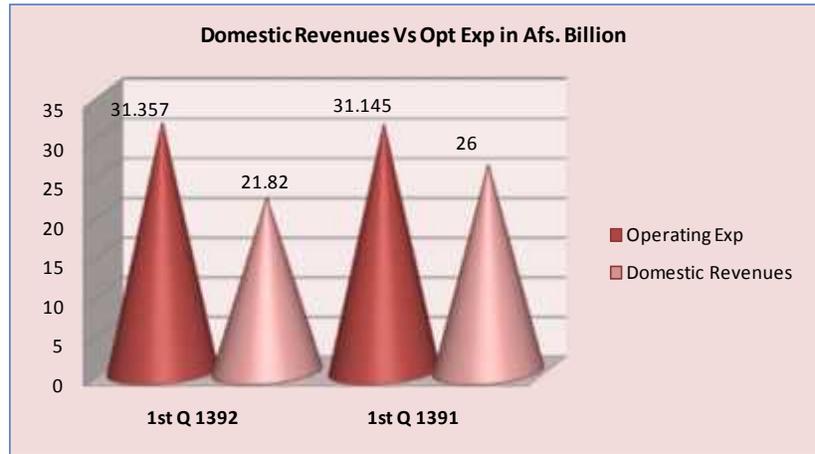
Core Budget Financing:

Related to the core budget financing, domestic revenues is projected to cover 36% of it in 1392 while the short fall of 64% shall be covered by donors' assistance to core budget. Compared to operating budget, domestic revenue shall cover 65% of it.



% of Operating Expenditures Covered by Domestic Revenues

Domestic revenues covered 70% of the total operating expenditures in the first quarter of the year, whereas last year it had covered 83% of it for the same period. It is expected that it shall cover around 65% of the total operating expenditures by the end of the year.



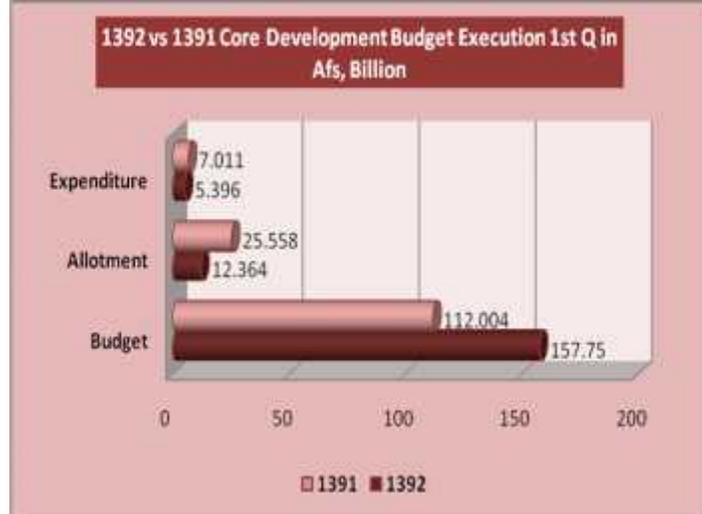
Figures in Afs. Billion:

Fiscal Year	Domestic Revenues (A)	Operating Exp (B)	A/B
1392(1 st Quarter)	21.82	31.357	70%
1391(1 st Quarter)	26	31.145	83%

Source: AFMIS/Revenue & Budget Departments

Core Budget Expenditures:

The execution rate of core development budget is 3% for the first quarter, while last year, it was 6% for the same period. This low execution rate of the core development budget is primarily due to low capacity at ministries and government agencies in planning and executing projects. On the other hand, the execution rate of operating budget is 16%, while last year it was 20% for the same period.



Core Development Budget Expenditures 1st Quarter:

Fiscal Year	Budget	Allotment	Expenditure	% Exp of the Budget	% Exp of the Allotment
1392	157.750	12.364	5.396	3%	44%
1391	112.004	25.558	7.011	6%	27%

Source: AFMIS/Budget Department/ in Afs Billion

Operating Budget Expenditures 1st Quarter:

Fiscal Year	Budget	Allotment	Expenditure	% Exp of the Budget	% Exp of the Allotment
1392	196.327	46.425	31.357	16%	67%
1391	157.082	55.895	31.145	20%	56%

Source: AFMIS/Budget Department/ in Afs Billion

The approved 1392 budget is uploaded on the website on time (immediately after approval by Parliament) and circulated to the line ministries/departments and provincial Mustofiats. The budget statement and the citizen budget are also posted on the website. Based on the approved Budget Calendar MTBF a pre-budget document including MTFE and the Budget Ceilings will be prepared by end of May.

MTFE for a pre-budget document will be also prepared with MTBF. The MTBF including MTEF and Budget Ceilings will be send to Cabinet for approval. ANDS priorities will be incorporated in the budget formulation; progress will be shown at the end of the year; for 1392, the BC1 submission was based on ANDS result frameworks.

For 1393 Budget Preparation, a 12 month Time Table (starting from 21 Dec 2012 – 20 Dec 2013) is prepared and approved by budget committee and currently being implemented

As per the approved budget time table, the national budget will be submitted to the cabinet on 14 October and to the Parliament on 6 November. The Budget Statement which is a detail budget document will be submitted to the parliament 2 weeks after the approval of national budget.

For 1392, all budgetary units were submitted their budget with program budgeting mechanism also for 1393, all budgetary units will submit their budget with program budgeting mechanism. For 1392, all 57 budgetary units submitted their budget with provincial allocation.

For 1391, 4 pilot ministries¹ have been included in the (GRB) Gender Responsive Budgeting mechanism, and 2-3 more ministries are expected to be included for 1393. Also aid policy Paper is part of ANDS and was finalized but after comments by donors, it was updated and finalized and approved by Minister of Finance and endorsed by JCMB in January 2013.

¹ MoEd, MoHE, MoPH, MOLSAMD

Treasury:

Meetings with Bulgarian and Russian are being scheduled to be held in April about debt relief to reduce future debt service cost.

All bank and revenue records' were completed within 30 days; bank reconciliations are completed daily and finalized monthly.

Financial statements and cash flow projections are issued at the end of month within 20 days, and also Line ministers' allotment and expenditure is reconciled within 30 days. 35% progress is done regarding to asset registration in line ministries.

About 16 financial plans prepared by LMs have been received from budget department and forwarded to cash management unit, compared to last year 1391 for the same period there existed only 1 financial plan for the same period.

Related to central account transactions; all payments are made on time and debt report is prepared at the end of each quarter within 20 days on the regular basis.

Fiscal Policy:

Under the Fiscal Policy Unit, Macroeconomic framework is developed for 1392 Pre-Budget Report (MTBF) and 1392 budget / budget statement. MTFF is updated for 1392 Pre-budget and 1392 budget / budget statement. MTFF also includes projections for the medium term. Revenue projections are done for the 1392 pre-budget report and for the 1392 budget statements.

FPD team in consultation with the revenue department and stakeholders from the Ministry of Finance developed the list of contingency revenue measures that would provide yield to government in the event of a shortfall in attaining IMF revenue target for year 1392.

A detail brief analysis prepared for DM finance on Afghan National Security Force long term security expenditure forecasting from Transition to Transformation decade which has discussed its fiscal impacts in the medium and long term.

Completed pre-paper on Mineral Fiscal Regime Framework which will be presented to Inter Ministerial Committee (IMC) shortly.

Procurement Policy:

Procurement Policy Unit (PPU) during 1391 (inclusive of the first quarter of the 1392FY) had assessed six LMs (Urban Development Affairs, Energy and Water and Labor, Social Affairs, Martyr and Disabled (twice), Rural Rehabilitation and Development, Information and Culture (MUDA, MoEW and MoLSAMD, MRRD and MoIC) out of these, three LMs (MUDA, MoLSAMD and MoEW are fully and from MRRD only NRAP is certified for standalone procurement . The certified Procuring entities can precede their procurement process independently. By certifying these, PPU successfully achieved its set target by ARTF-IP in 1391.

Totally 5 Line Ministries and two programs are certified for standalone procurement till date. The rest of the selected LMs were not prepared and ready for being assessed, will be reassessed soon.

The Joint Advisory Committee (JAC), consist of representatives of relevant LMs, IARCSC and PPU, held its final meeting during last week of Hoot 1391 and as a result PPU in collaboration with JAC members finalized and approved organizational structure of 7 Line Ministries as below: (Justice, Hajj affairs, women affairs, MOISAMD, MOTCA, MoRR and MoIC).

In relation to MoBTA its worth mentioning that due to separation of Deputy Ministry for Tribal Affairs from MoBTA and its composition with IDLG, The JAC couldn't decide on organizational Structure of the entity, whereas MoFA didn't accept the proposed organizational structure of MoF.

The Organizational Structure along with TORs of procurement offices of Six provinces have been finalized and are accepted in principle by IARCSC and IDLG. The finalization of the same is suspended to next year as IDLG didn't have enough approval in its Tashkeel in 1391.

In the training area during 1391, Procurement Capacity Building Component of PPU trained a number of 1269 trainees in different programmes: 615 Trainees received Basic training course, 269 Trainees received Intermediate training course, and 385 Trainees received other training courses like short term and special training courses.

Number of 3,400 procurement plans during 1391 (inclusive of the first quarter of the 1392FY) and totally up to date around 5,757 procurement plans are uploaded on the PMIS website by the LMs and a number of 578 procurement monitoring plans in 1391 and totally 893 Monitoring Plans up to date are actually initiated and registered in PMIS website.

The supplier registration module is up and operational with the provision of stipulation of legal online registration method for participating in bidding opportunities and so far 195 firms have directly registered themselves in the system.

Overall 1,009 firms/contractors have been registered in PMIS system by procuring entities. PMIS technical update and maintenance are under process.

1.2 Domestic Revenues

Revenues:

Domestic revenues both tax and non tax reached to Afs 21.82 B for the 1st quarter of 1392 showing a shortfall of 22% against the IMF target of Afs. 28.11 B for the quarter. Compared with annual target of 1392, Afs. 127.76 B, it has completed 17% of it. Relative to 1st quarter revenues of last year, Afs. 26 B, it shows a decrease of 16.

Figures in Afs Billion:

Domestic Revenues as of End of First Quarter				
Fiscal Year	Plan	Actual	% of the Quarter	% of the Year
1392	28.11	21.82	78%	17%
1391	27.3	26	95%	30%

Source: AFMIS/Revenue Department

Domestic Revenues as % of Operating Expenditures:

Domestic revenues covered 70% of the total operating expenditures in the first quarter of the year, whereas last year it had covered 83% of it for the same period. It is expected that it shall cover around 65% of the total operating expenditures by the end of the year.

Figures in Afs Billion:

Domestic Revenues vs Operating Expenditures as of End of First Quarter			
Fiscal Year	Domestic Revenues (A)	Operating Exp (B)	A/B
1392	21.82	31.357	70%
1391	26	31.145	83%

Source: AFMIS/Revenue & Budget Departments

Domestic revenues as % of legal GDP:

It is projected that domestic revenues to GDP ratio shall reach to 11% by the end of the year.

Fiscal Year	Plan	Actual	% of the Year
1392	11%	-	-

Source: FPU

Implementation of SIGTAS in Ministry of Commerce, Central Board of Revenue, other section of LTO and taxpayer identification office and in Herat and Balkh provinces is in progress.

Customs:

As a part of domestic revenues, , customs revenues reached to Afs 11.02 B in the first quarter of the year, showing a shortfall of 28% against the first quarter target of Afs. 15.29 B. Compared to last year's first quarter customs revenues, Afs. 12.2 B, it shows a decrease of 10%. Relative to customs revenues annual target for 1392, Afs. 61.15B, it has completed 18% of it.

Figures in Afs. Billion:

1392 Customs Revenues including 2% Tax on Imports as of End of First Quarter				
Fiscal Year	Plan	Actual	% of the quarter	% of the year
1392	15.29	11.02	72%	18%
1391	15.9	12.2	77%	26%

Source: Customs Department

It is worth mentioning that the total revenue collected through PCA Teams is 0.821 Million AFS in 1st quarter 1392 but the complete Reports have not been received in relation to PCA from different custom houses. Also the total revenue collected by MVTs so far is 9.9 Million AFS in 1st quarter 1392. The complete Reports have not been finalized related to revenue collection so far by the regional MVTs.

Related to Manifest Procedure the manifest procedure finalized after approval and has been sent to various custom houses for implementation. The duplicate mechanism procedure is finally finalized after approval and being sent to customs houses for implementation

Regarding to construction work the Jalalabad ware house has been completed.

Regarding to capacity development about 50 officers has been trained in the 1st Quarter of 1392 so far at Afghanistan Customs National Academy. And also 15 officers are under the training process.

The AYSCUDA selectivity Module and customs clearance risk management has been introduced in Kabul international Airport. Also AYSCUDA user manual ready in Dari

The ASYCUDA system for registering and logging of the Customs Miscellaneous payment and enhancing ASYCUDA report is successfully installed, trained and executed at the KIA , Kunduz, Herat, Balkh and Nangrahar ICDs. Kabul, Kandahar, Torkham, Andkhoy is done as well

The Customs Operation in Naibabad Railway station Balkh Province has been started, and the Balkh ASYCUDA system has been re- configured to address the remote examination of goods in Naibabad Examination Yard.

ASYCUDA SAD, T1 and related table data entry manuals are prepared in details and have been disseminated to all Customs offices to be utilized by Customs brokers and officers. This will

enable ACD to have better monitoring of Customs clearance process and at the end of the day with goods and statistics and Audit.

1.3 Operation

Operation Support:

Admin, Finance and Projects Coordination

MOF Budget Execution:

The 1392 operating budget of the Ministry of Finance is Afs 2,015.65 m, of which Afs. 638.65 m, allotments have been issued and Afs. 516.98 m has been spent as of end of Hoot 1391. Operating budget execution is 26%.

Figures in Afs Million:

MoF Operating Budget Execution as at the End of First Quarter					
Fiscal Year	Budget	Allotment	Expenditure	% Expenditure of the Budget	% Expenditure of the Allotment
1392	2,015.65	638.65	516.98	26%	81%

Source: Budget Department

Figures in USD Million:

MoF Core Development Budget Execution as at the End of First Quarter					
Fiscal Year	Budget	Allotment	Expenditure	% Expenditure of the Budget	% Expenditure of the Allotment
1392	85.5	10.30	6.53	8%	63%

Source: Budget Department

MOF core development budget execution rate is 8%, while last year it was 8.2% for the same period.

General Admin Services:

Regarding Admin general services, in comparison with the last two years, significant improvement and changes have occurred in the MoF Admin general services. More than ever, provinces and large spending Departments (Revenue and Customs) are satisfied with the efforts of Administration.

Regarding MoF asset management, very basic asset management database is developed and used and all the data about each employee is recorded.

Projects Implementation Unit (PIU)

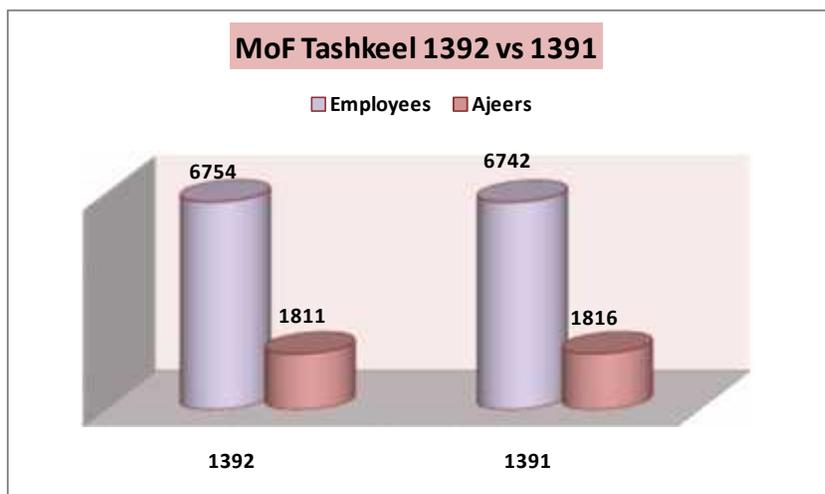
The projects that have been 'monitored' in this first quarter depict remarkable progress at both central level and provincial levels. In the engineering section, 58% of the projects are in the implementation stage, 17% are in the design stage and 25% are in the appraising stage. In the first month of the quarter the progress was almost zero in almost all engineering projects, both on-going and planned ones.

The overall progress of the execution of development budget has not improved much in the first quarter compared to first quarter of 1391. Only 0.4% improvement has been realized. However, plans are in place to ensure that improvements are substation.

In the first quarter, PIU could not participate in any design and prioritization of new in the various projects due in large to the absence of critical staff that have been highlighted in the proposed positions. This is a major drawback as PIU continues to lag behind and new projects continue being designed without agreed outcomes. And, PIU staff will continue to lag behind in their knowledge regarding the actual objectives of the projects that they are supposed to facilitate, coordinate, monitor and evaluate. With the current and ongoing projects, PIU did not develop any new systems and templates for monitoring. This is in the view that outputs and outcomes were not agreed at the beginning of the projects.

Human Resources Management:

MoF 1392 proposed taskheel reached to 8565 positions of which 1811 posts are Ajeers, which is almost 0.2% higher than the number of the taskheel positions, 8550, in 1391.



Year	Employees	Ajeers	Total
1392	6754	1811	8565
1391	6742	1816	8550

Source: MoF HRMD

In the field of recruitment, implementation of Pay & Grading (P&G) system is going smoothly with a rapid pace. Regarding implementation of the Pay and Grading Program, there has been significant progress to date. Since the beginning of the program in 1388, more than 90% of the tashkeel positions have been filled under the Pay and Grading System.

Also, during the first quarter of the year 1392 a number 450 MoF staffs have gone through the Performance Appraisal process, out of which a number 150 staffs have been through the probationary period and the remaining 300 staff were appraised based on their annual performance.

Regarding Training and Capacity Building Development, during the first quarter of the year 1392, a number of 195 have been trained in 9 different programs which include National Customs Academy training programs, Monitoring and Evaluation, Management Fundamentals, communications, Leadership, conducting orientations program, Computer programs such as Ms Excel, Ms word, of whom 29 are women. Also 2 people were sent for short term training course to India.



Reform Implementation and Management (RIMU):

A: Strengthening Human Resources Management Department (HRMD)

In order to assist HRMD to review its performance in line with its strategic plan, a one-day performance review event of 1391 activities was held in the month of Hoot 1391 in Hotel Intercontinental in Kabul. In this gathering presentations were delivered by each section of HRMD. The gathering ended with a press- conference.

MoF Questions Bank Book has been finalized and ready for print. It will be also translated into Pashtu in the next quarter.

Related to training & development, assistance was provided in conducting training needs assessment (TNA) for 1392, the report was provided and training plan and budget was development accordingly. In addition, a mechanism for monitoring and evaluation of the training programs was developed, which will be put into practice. Training materials have been prepared as well.

According to training plan, the First Batch training on general management was conducted successfully to 14 staff of Government Enterprises, Budget, Chief of Staff, Finance, Properties, National Programs Implementation and HR Departments of MoF at HR training center from 26-29 Hoot 1391.

Under the HRMD shared services model, effective coordination has been maintained with the Headquarter. TNA was conducted both at ACD and ARD, a three-day workshop was held in this regard and reports were prepared which were incorporated into MOF overall TNA report. Accordingly, training plans were devised. In addition, monthly orientation program have been introduced and two sessions have been conducted, thus far, both for ACD and ARD.

Also, two - one day HR management seminars were successfully conducted for total number of 103 provincial custom officers of 14th and 15th cycles in Afghan National Customs Academy on 2nd of Dalwa and 30th of Hoot 1391.

B: Monitoring and Evaluation:

MoF 1391 FY nine months performance report was prepared both in Dari and English in line with the strategic plan and uploaded in MoF website. The template of results framework for Office of DM for Admin have been revised and put into implementation. As per the need and in line with plan, two monitoring and evaluations officers were hired and their WPs were devised and assigned to their duties.

Reporting templates and monitoring frameworks for 1392 with their indicators, baselines and benchmarks were reviewed and updated in line with strategic plan, which were put into use for data collection. Preparation of MoF 1392 FY first quarter performance report is underway.

C: PFMR II Project Coordination:

The 1391 FY 3rd quarter financial monitoring report of the PFMR II projects was prepared and submitted to WB on time. As per the request of WB, a detailed revised costing of the PFMR II project was done for the years (2013-2015) and submitted to WB.

RIMU, also, coordinated prior review issues of the implementing units with the WB, assisted implementing units in project day to day operation issues and provided them advice and assistance as and when needed. It participated in hiring of the individual consultants for the PPU as well.

Office of the Chief Staff Affairs:

During the first quarter of the year, management meetings have been held regularly, 7 Presidential Decrees, 298 Presidential Orders and 15 decisions of Cabinet were followed up for execution. Additionally, letters were prepared.

Arrangement of press conferences, invitation of media, publishing of press release and news releases are the main performances that are executed by Media Office. The Media documents of Internal events of the Ministry like workshops, seminars, signing ceremonies and press conferences are stored in safe archives of Ministry and the external media documents of other publications that are related to Ministry of Finance are also recorded and stored in archive.

MoF website has been maintained and regularly updated with up-to-date information inclusive of reports, plans, laws and etc.

Insurance Affairs:

Regarding to public awareness of insurance culture; brochures were distributed among the people, insurance guidelines have been prepared and different conferences were held in five major cities (Kabul, Herat, Balkh, Jouzjan and Nangarhar) and also a precise insurance survey was accomplished in respective mentioned provinces.

Regulations in health, vehicles, third person insurance, fire insurance, principle related to insurance companies' delegation for administration, investment regulation of insurance companies, civil responsibility insurance of employer, compelling fire insurance formats for financial reporting (balance sheet, revenue balance, circulated fund balance) were planned, designed and have been prepared.

Asset Management:

Privatization:

During the 1st quarter of 1392, Afs 1,684,612,795 was paid to Large Taxpayers Office account from tax and other obligations of Governmental Industries. Also during this period, SOE Department has collected Afs. 9,089,184 from SOEs as rent, profit and other obligations and paid to SoEs bank account.

The SOE law has been amended and sent to MoJ for their review. The enterprises first draft law has been finalized by cooperation of Office of DM for Admin technical advisors and sent to MoF for approval.

Regarding SOE's balance sheets, about 3 balance sheets have been analyzed, evaluated and approved in 1st quarter of 1392. Also, the SOE law has been amended and sent to MoJ for their review.

Property Management:

With reference to registration of government's properties, properties of 951, including 551 in capital (Kabul) & 400 properties in provinces which comprise apartments, buildings, electricity stations, mosques, restaurants and gardens have been registered in first quarter of fiscal year 1392, those properties that newly have been leased and rented is comprised of 17 properties in Kabul and provinces.

Plan, design and repair of Elhaqya building, Kabul custom's road have been accomplished, in terms of dissolved banks (leased and repairing, agricultural and industrialized) data related to 83 companies has been collected and evaluated, in addition to, information related to reactivating of former industrialized bank was prepared and sent to respective officials.

The total revenue generated from properties leased and rented in capital (Kabul) as well as in provinces reached about Afs 57.13M which was deposited in government's revenue account.

Internal Audit:

In the 1st quarter of the year 1392, a total of 31 units were audited. Audit findings with written management response were sent total auditees' for their corrective and preventive actions against the audit observations and recommendations.

The draft Audit Manuals of Performance, Procurement, Donor Funded Projects Audit & Post Audit Quality Review System has been finalized and is under final technical review.

Treasury, Budget & Process Audit Manuals has been finalized and is under final technical review. Also, the draft Audit Manuals of Revenue, Customs and Mustofiat have been reviewed and revised as per the changes in relevant law & regulations

Related to capacity building, Twenty eight (28) Internal Auditors are carrying out capacity development training in IADs in five LMs on regular basis in the techniques for accomplishing an assessment, procedures for auditing revenue processes & conducting Risk Assessment in line ministries. Also the first round of ATP-II training has been successfully completed and 51 (fifty one) internal auditors from following ministries have completed their training under this program.

Moreover, International Audit Adviser provided class room training for approximate 30 IAD staff on: Audit Sampling, Risk Assessment, Audit Sampling, Reconstruction of Audit Toolkits, Internal Control Systems, and Process Auditing & Internal Audit Checklists.

A five days training was conducted by USAID in US Embassy Kabul on “Fraud Awareness” for the FIU dept. staff. The FIU team carried out “Advance Fraud Investigation Training” in Singapore. The IT Audit staff received training on IT Auditing in India.

In 1st Quarter of Financial Year 1392, total 31 departments of MoF were audited & reports were sent to the relevant entities for improvement & corrective actions.

As per the benchmarks of IMF & World Bank, the Internal Audit Department completed audits in the following five line ministries: Ministry of Foreign Affairs, Ministry of Economy, Ministry of Women Affairs, Ministry of Hajj Affairs and Ministry of Borders & Tribal Affairs.

Total 12 cases were investigated in the 1st quarter of financial year 1392. Out of all 12 cases referred to FIU for investigation, Only 01 case was directly & physically investigated by FIU staff, 11 cases were handled via direct correspondence with the relevant officials / In-charges of the convicted depts.

1.4. Government Policies Coordination

Policies Coordination & Strategy Implementation:

Under the Office of DM for Policy, 4 NPPs (NPP1,2- ARD cluster, NPP3- ID cluster and NPP3- governance cluster) endorsed it in last JCMB meeting which was held on 12 of February-13 bringing total number of endorsed NPPs to 20.

NPP2 and NPP5 of governance cluster are under process and will be tabled for endorsement in next JCMB meeting. Also TMAF- Milestones and all action plans were drafted in last quarter and shared with donors.

Annex II has been shared with Line ministries by the ANDS/MoF in last quarter. In month of Jadi LMs sent their comments on annex II to the ANDS/MoF.

The 1st Joint Steering Committee Meeting was organized and coordinated on Tokyo Mutual Accountability Framework to discuss the following indicators: 1. Election and Democracy. 2. Governance, Rule of Law and Human Rights which was participated by representatives of the international community and senior officials of the line ministries