

THE REPUBLIC OF SOUTH SUDAN

NATIONAL AUDIT CHAMBER



CONSOLIDATED COMPLIANCE AUDIT REPORT

OF THE AUDITOR GENERAL

ON

**THE FIRST TRANCHE OF THE RAPID CREDIT FACILITY (RCF 1)
FROM THE INTERNATIONAL MONETARY FUND (IMF)**

**DISBURSED FOR PAYMENTS OF GOVERNMENT EMPLOYEES'
SALARIES FOR THE MONTHS OF**

JUNE AND JULY 2020

**TO MINISTER OF FINANCE AND PLANNING
GOVERNMENT OF SOUTH SUDA**

9 September, 2021.

Contents

1.0 EXECUTIVE SUMMARY	4
1.1 AUDIT OBJECTIVES.....	4
1.2 SUMMARY OF AUDIT FINDINGS.....	5
1.3 CONCLUSION.....	7
1.4 RECOMMENDATIONS	7
2.0 INTRODUCTION	9
2.1 BACKGROUND INFORMATION OF THE SUBJECT MATTER.....	9
2.2 NARRATIVE ON THE USE OF THE RCF PROCEEDS	9
3.0 SUBJECT MATTER AND SCOPE	11
3.1 BACKGROUND OF THE SUBJECT MATTER	11
3.2 MANDATE.....	11
3.3 RISKS OF NON- COMPLIANCE.....	11
3.4 SIGNIFICANCE OF THE SUBJECT MATTER	11
3.5 AUDIT SCOPE.....	12
4 AUDIT OBJECTIVES	13
5 AUDIT CRITERIA	14
6 DETAILED AUDIT FINDINGS IN THE CENTRAL GOVERNMENT AND ORGANIZED FORCES	16
6.1 DISBURSEMENT OF USD 52,328,252 BY MOFP AND APPLICATION OF FUNDS BY THE BOSS	16
6.2 FAILURE TO FULLY TRANSFER ALLOCATED FUNDS TO THE CENTRAL GOVERNMENT MDAs, ORGANISED FORCES AND STATES	17
6.3 INELIGIBLE PAYMENTS OF SALARY ARREARS AND DOUBLE PAYMENTS IN DIPLOMATIC MISSIONS	18
6.4 FAILURE TO ACCOUNT FOR UNPAID SALARIES	18
6.5 VARIANCE IN TRANSFERS TO THE CENTRAL GOVERNMENT SECTORS AMOUNTING TO SSP 602,969,064.....	18
6.6 FAILURE TO PROVIDE SUPPORTING DOCUMENTATION FOR PAYMENTS AMOUNTING TO SSP 81,538,110 WITHIN THE CENTRAL GOVERNMENT SECTORS	19
6.7 ORGANIZED FORCE S AT CENTRAL GOVERNMENT VARIANCE SSP 374,370,432. VARIANCE IN TRANSFERS TO THE ORGANIZED FORCES IN THE CENTRAL GOVERNMENT - SSP 374,370,432	19
6.8 VARIANCE IN TRANSFERS TO THE MINISTRY OF DEFENCE OF SSP 296,496	19
6.9 TRANSFER OF SSP 12,190,625 TO 3 UNIVERSITIES NOT FUNCTIONING	20
6.10 FAILURE TO ACCOUNT FOR EXCESS SALARY TRANSFERS IN THE JUDICIARY OF SOUTH SUDAN	20
6.11 UNVERIFIED PAY SHEETS SSP 7,552,516.00	21
6.12 WEAK INTERNAL CONTROL SYSTEM ON SALARY PAYMENTS.....	21
7 FINDINGS IN THE STATES GOVERNMENTS AND ORGANISED FORCES	22
7.1 VARIANCE IN TRANSFERS TO THE STATES OF SSP 523,693,828	22
7.2 DIVERSION OF RCF FUNDS TO FINANCE STATE CONDITIONAL GRANTS.	22
7.3 FAILURE TO ACCOUNT FOR UNPAID SALARIES	22
7.4 IRREGULAR PAYMENT OF SALARIES TO DECEASED RELATIVES UNDER THE ORGANISED FORCES.....	23

7.5	IRREGULAR PAYMENT OF NON-SALARY ARREARS USING RCF FUNDS...	23
7.6	UNVERIFIED PAY SHEETS SSP 37,985,320 – CENTRAL EQUATORIA, YEI COUNTY.....	23
7.7	WEAK INTERNAL CONTROL SYSTEM ON SALARY PAYMENTS.....	24
7.8	LACK OF NOMINAL ROLLS	25
8	CONCLUSION.....	26
9	RECOMMENDATIONS.....	27
	APPENDICES.....	28
	APPENDIX 1 - E. PREMIUM FROM AUCTION OF 27,800,000 USD BY BOSS	28
	APPENDIX 2 - PAYMENTS OF ARREAS USD 849,830 AND DOUBLE PAYMENTS- JULY 2020.....	29
	APPENDIX 3 - UNPAID SALARY NOT DEPOSITED TO THE CHEST.....	32
	APPENDIX 4 - CENTRAL GOVERNMENT SECTORS’ VARIANCE OF SSP 602,969,064 AND UNAUDITED AMOUNT SSP 81,538,110.....	34
	APPENDIX 5 - ORGANISED FORCES VARIANCE SSP 374,370,432.....	36
	APPENDIX 6 - SSPDF NEGATIVE VARIANCE.....	38
	APPENDIX 7 - TRANSFER OF SSP 12,190,625 AND VARIANCE OF SSP 3,071,063,000 AT THREE UNIVERSITIES NOT FUNCTIONING.....	40
	APPENDIX 8 - EXCESS PAYMENT BY THE JUDICIARY OVER MONEY TRANSFERRED BY MOFP SSP 5,311,378.....	41
	APPENDIX 9 - TRANSFERRED TO STATES LEGAL OFFICES/ MINISTRY OF JUSTICES.....	42
	APPENDIX 10 - STATES GOVERNMENTS AND ADMINISTRATIVE AREAS VARIANCE SSP 215,414,771.52	43
	APPENDIX 11 - CONDITIONAL GRANTS PAYMENTS TO THE STATES FROM RCF 1 AND VARIANCE OF SSP 664,153.069	45
	APPENDIX 12 - STATES AND ADMINISTRATIVE AREAS UNPAID SALARIES.....	47
	APPENDIX 13 - PAYMENTS TO RELATIVES OF DECEASED STAFF.....	49
	APPENDIX 14 - NON SALARY STATES OPERATIONAL PAYMENTS.....	49
	APPENDIX 15- MOFP MANAGEMENT LETTER RESPONSES	50

1.0 EXECUTIVE SUMMARY

The Government of the Republic of South Sudan (GRSS) applied for and negotiated emergency financing under the Rapid Credit Facility (RCF) with the International Monetary Fund (IMF). An amount equivalent to SDR 36.9 million (about US\$ 52.2 million or 15% of the quota) was approved by the IMF Board on 11th November 2020 and disbursed two days later to the GRSS' account. The purpose of the RCF was to support the government's response to the negative socioeconomic impact of the COVID 19 pandemic in the country. The funds were specifically provided to cater for two months' salary arrears for the GRSS civil servants for the period of June and July 2020.

As part of the requirements of the letter of intent and loan agreement, the National Audit Chamber (NAC) was required to undertake an audit of the utilization of this first tranche of funds. The audit focused on compliance to the Public Finance Management laws and regulations of South Sudan and best practice in utilization of the RCF1 funds disbursed for payment of salary arrears of the employees of the GRSS.

The key legal framework/authorities against which compliance was measured include the Public Finance Management and Accountability Act 2011, the Civil Service Act 2011, the IMF letter of intent, RCF loan agreement, MOU between MOFP and BOSS and the approved budget allocations to MDAs and States.

1.1 AUDIT OBJECTIVES

The overall objective was to assess the utilization of the IMF RFC loan for salary arrears, considering the whole process from payment by IMF to the Bank of South Sudan to the payment of salaries to employees in the Central Government, Organized forces and the States.

The following sub-objectives were set for the audit:

- I. To confirm whether the allocated funds by the Ministry of Finance and Planning (MOFP) have been received by all MDAs.
- II. To confirm whether the MDAs are functional and in existence during the period relating to the salary arrears.
- III. To confirm whether MDAs have a clear staffing and payroll structure clearly indicating all employees existing during the period.
- IV. To confirm whether the received funds have been paid out to the respective employees.
- V. To assess whether controls are in place to ensure full accountability for paid out and unpaid funds.
- VI. To assess whether in cases where a cash system of payment was used, does the MDA have clear controls to ensure accuracy in the amounts paid out.

This report covers the audit of the Central Government sectors, Organised forces and the States Governments. The audit involved a follow up of funds disbursed from the MoFP to the various spending agencies and States. An exit meeting was held with MoFP, which provided responses to some of the findings.

1.2 SUMMARY OF AUDIT FINDINGS

Central Government, Diplomatic Missions, and Organized Forces

- Out of the total RCF1 loan of **USD 52,328,253**, **USD 45,625,000** was sold at the rate of SSP 174.12 to the Bank of South Sudan from the Ministry of Finance and Planning and credited to the RCF local currency account with **SSP 7,944,251,458**. Out of the total RCF1 loan **USD 52,328,253**, the BoSS auctioned **USD 27,800,000** to Forex bureaus at the ruling market rates and a premium of **SSP 9,568,417,491** was realized. The remaining USD vested in the BoSS was allocated for electricity and currency purposes (see **Appendix 1**) However, there was no clear policy on how these premiums would be allocated between the BOSS and the MOFP.
- Of the SSP funds made available in SSP for the Ministry of Finance for the salary arrears, **SSP 7,559,625,705** was utilized to pay June and July 2020 salary arrears. This means 4.8% of the funds allocated for salary arrears were not paid to the entities by the MoFP as intended. The balance of **SSP 384,625,753** is held on the RCF Local Currency Account.
- Out of **USD 5,993,664** allocated for payment of salary arrears in various diplomatic missions, there were ineligible payments to other purposes amounting to **USD 2,134,080**. Of the **USD 3,400,548** transferred to the Foreign Missions and General Intelligence Bureau, **USD 849,830** was irregularly used to clear salary arrears from June 2019 to July 2020, in addition to double payment of **SSP 61,729** in July 2020 (see **Appendix 2**).
- Un utilized funds by the Central Government MDAs amounting to **SSP 4,545,928** were not remitted to the respective Central government MDAs' safes or bank accounts. (**Appendix 3**).
- Allocated funds to the Central government Sectors totaled **SSP 2,511,393,854** for June and July salary arrears, whereas bank statement/credit advices show an actual transfer of **SP 1,908,424,790**. This results in a balance of **SSP 602,969,064** not utilized (**Appendix 4 - Column 4**).
- Salary payments amounting to **SSP 81,538,110** within various Central Government sectors was not audited due to failure of various auditees to avail the required documents for audit as shown in (**Appendix 4-Column 5**)
- Whereas the Organised Forces were allocated a sum of **SSP 2,450,071,305**, they received funds amounting to **SSP 2,075,700,873**, leaving an unremitted balance of **SSP 374,370,432** on the RCF SSP Account as shown in (**Appendix 5**).

- Transfers to the SSPDF divisions by the Ministry of Defence amounted to **SSP 257,929,817** whereas actual June and July 2020 salary payments amounted to **SSP 258,226,313**, resulting in excess payments of **SSP 296,496** as shown in (**Appendix 6**).
- **SSP 12,190,625** was transferred to three national Universities, which were not functioning (Aweil, Torit and Yambio) as shown in (**Appendix 7**).
- Funds transferred to the Judiciary by MoFP for payment of June and July 2020 salary arrears exceeded the total amounts in the pay sheets by **SSP 5,311,378** (**Appendix 8**)’
- Pay sheets for transfers to the Ministry of Justice and Judiciary of South Sudan for States courts payment of June and July 2020 salary arrears amounting to **SSP 7,552,516** were not provided to the auditors for verification. (See **Appendix 9**)
- The Supreme Court & States Courts did not maintain Nominal Rolls for the year 2020, and hence confirmation and verification of names and grades of all Judges and support staff in the salary pay sheets against the names and grades in the approved nominal rolls was not possible.
- The following internal control weaknesses were observed in all Divisions:
 - Failure to prepare pay sheets during payment.
 - Pay lists were not acknowledged for the receipt of salary by the beneficiaries.
 - All the pay lists were marked and written paid with red pen by cashier.
 - Two months’ salaries were paid by one pay sheet for the month of June in Division 9.
 - Preparation of an empty pay sheets by division 9 which indicate the Serial number, first person name, Rank and Amount and then multiplied the amount by the serial number to bring the total payment of the pay sheets which has also been signed by one person.
 - Pay sheets in Division 9 were signed by one person.

States Governments and Administrative Areas

- Transfers to the States and the three Administrative amounted to **SSP 2,598,160,546**, whereas the credit advices indicated a sum of **SSP 2,074,466,718** leaving a balance of **SSP 523,693,828** (**Appendix 10**).
- RCF funds amounting to **SSP 664,153,069** were utilized to finance State Conditional Grants, contrary to the agreement. (**Appendix 11**).
- Unpaid Salaries not accounted for amounting to **SSP 4,941,391**. (**Appendix 12**).
- Irregular salary payments amounting to **SSP 1,510,865** were made to relatives of deceased State Organized Forces staff. (**Appendix 13**).
- Payment of non-salary creditors from the RCF budget amounting to **SSP 92,747,547** (**Appendix 14**).
- Unverified pay sheets amounting to **SSP 37,985,320** in Yei County, Central Equatoria State.

- There was a lack of Nominal Roll to establish the exact number of employees.
- Weak Internal Control on Salary payment procedure is cross cutting across the ten states.

1.3 CONCLUSION

Qualified conclusion

Based on the audit procedures performed and the evidence obtained, except for the matters in the basis of qualified conclusion paragraph, the application of the RCF of **USD 52,328,252** was in compliance, in all material aspects with the applicable criteria.

Basis of qualified conclusion

- Ineligible payments amounting to **USD 2,134,080** made to individual accounts and **USD 849,830** irregularly spent on salary arrears from June 2019 to July 2020 in foreign missions.
- Variances between allocated/budgeted funds and actual transfers to Central Government MDAs and the States amounting to **SSP 1,501,033,324 (USD 8,620,683)** as explained in issues 6.5, 6.7 and 7.1.
- RCF funds amounting to **SSP 609,358,456 (USD 3,499,646)** were utilized to finance State Conditional Loans, contrary to the agreement.
- Payment of non-salary arrears in the States amounting to **SSP 92,747,547 (USD 532,664)**.
- Failure to provide supporting documentation for payments amounting to **SSP 81,538,110 (USD 468,287)**

***SSP has been converted at the rate of 174.12**

1.4 RECOMMENDATIONS

- I. The Ministry of Finance should coordinate with the BOSS to ensure that clear policies on loan and loan management are in place including currency auctions, dissemination of funds to beneficiary organisations and follow up and monitoring of the use of funds.
- II. The Ministry of Finance should strengthen the internal control and audit functions within the various MDAs and States and ensure adequate follow up and reporting on distributed funds to the various MDAs and States.
- III. The Ministry of Finance should enable systems to pay Public Sector Employees' emoluments through the Commercial Banks.
- IV. The Ministry of Public service should ensure clear and adequate policies and controls in place to manage salary payments.
- V. The Ministry of Public service should initiate a process to issue biometrics identifications to ALL Public Sector Employees.

VI. The Ministry of Public service should put systems in place to digitize the Public Payroll to enable more efficient management of payroll issues.

2.0 INTRODUCTION

2.1 BACKGROUND INFORMATION OF THE SUBJECT MATTER

The Government of the Republic of South Sudan (GRSS) applied for and negotiated emergency financing under the Rapid Credit Facility (RCF) with the IMF. An amount equivalent to SDR 36.9 million (about US\$ 52.2 million or 15% of the quota) was approved by the IMF Board on 11th November 2020 and disbursed two days later to the GRSS' account. The purpose of the RCF was to support the government's response to the negative socioeconomic impact of the COVID 19 pandemic in the country.

The economy of South Sudan is heavily dependent on oil; hence the economy has been hit by the drop in global oil prices, with real GDP projected to fall to between -2.5 to 3.2 per cent in 2020. It is expected that the fiscal deficit will rise to 8.2% of GDP in FY 20/21, despite government's efforts to streamline expenditure. Oil revenues are expected to decline to 13.5% of GDP in FY 20/21 from 18% in FY 19/20. At the same time, tax revenues are expected to shrink further to 1.3% of GDP in FY 20/21 from 2.5% of GDP in FY 19/20.

The Government of the Republic of South Sudan (GRSS) initiated the discussions with the IMF on a possible RCF to address the huge financing gap in the FY 2020/2021 Budget. This was in addition to a PFM reform program that would, hopefully, unlock access to a larger pool of donor resources in the medium term.

In October 2020, the GRSS decided that the RCF1 would be used to clear two months of salary arrears (June – July 2020) at the national level and transfers to states. The Ministry of Finance and Planning (MoFP) initiated the opening of a separate Bank Account in the Bank of South Sudan (BoSS) dedicated for the RCF funds and created a special fund code in IFMIS to track expense against RCF funds and to report to the Public Financial Management (PFM) Oversight Committee (OC).

2.2 NARRATIVE ON THE USE OF THE RCF PROCEEDS

The NCBA Bank Kenya PLC, Nairobi, Kenya, was the correspondent bank in which the USD equivalent from IMF would be credited. On October 4, 2020 a separate account was also opened for the MoFP in both USD and SSP currencies in the BoSS dedicated for the RCF funds. Upon receipt of this payment from IMF, the BOSS transferred the USD equivalent of SDR 36,900,000 to the MoFP RCF Account at the BoSS. On 11th November 2020, the amount of USD 52,328,252.72 was disbursed by IMF in Washington. It was credited to BoSS Account in Nairobi on 13th November 2020. The same amount was then credited to the Ministry of Finance RCF (USD Acct) at the Bank of South Sudan on the 15th November 2020.

The Memorandum of Understanding between the MoFP and the BoSS was signed on the 4th of October 2020. This MOU stipulated that the International Monetary Fund (IMF) is expected to consider a disbursement for the Republic of South Sudan under the RCF in the total amount equivalent to SDR 36.9 million (about US\$ 52.2 million or 15% of the quota). The funds received by the Republic of South Sudan under the RCF will be used for direct budget financing. The MoU further clarifies that the Letter of Intent (LOI) accompanying the Republic of South Sudan's disbursement under the RCF includes a commitment for the MoFP and the BoSS to establish a framework that clarifies the responsibilities for timely servicing of the related financial obligations to the IMF. Both the MoFP and BoSS shall act in accordance with relevant laws and regulations while agreeing to follow the framework on the modalities of the repayment of IMF financing and servicing of any related costs:

Amount converted from USD into SSP

S/No	Date	Amount in USD	Rate	Amount in SSP
1	26th Nov.2020	40,325,000	174.07430	7,091,546,147.50
2	13th Dec. 2020	5,300,000	174.47270	924,705,310
	Total	45,625,000		7,944,251,457.50

Payment of Salary Arrears out of RCF1

S/No	Item description	Amount in USD
1	Amount Sold to BoSS To pay domestic salary arrears in SSP	45,625,000.00
2	Amount Used to pay salary arrears to diplomats in USD	5,993,664.48
	Total	51,618,664.48
	Balance for Miscellaneous Application	<u>709,588.24</u>
	RCF 1	<u>52,328,252.72</u>

3.0 SUBJECT MATTER AND SCOPE

3.1 BACKGROUND OF THE SUBJECT MATTER

The Subject matter is the utilization of funds received from the IMF for payment of two months' June and July 2020 salary arrears to the civil servants of the Government of South Sudan. The GRSS had applied for emergency financing under the Rapid Credit Facility (RCF) with the IMF. US\$ 52.2 million was approved by the IMF Board. The purpose of the RCF was to support the government's response to the negative socioeconomic impact of the COVID 19 pandemic in the country.

3.2 MANDATE

The National Audit Chamber has the mandate to audit the subject matter as stipulated in Article 186 (2), (7) and (10) of the Transitional Constitution of the Republic of South Sudan - As Amended, Section 52 of the Public Financial Management and Accountability Act 2011 and Sections 7, 12 and 36 of the National Audit Chamber Act 2011

3.3 RISKS OF NON- COMPLIANCE

Risks of non-compliance to the subject matter may include the following.

- I. Funds allocated to ghost / non-existent workers
- II. Funds allocated to existing but non-functional institutions
- III. Funds allocated to non-existent institutions
- IV. Inadequate accountability for cash payments.
- V. Weak or non – existent of internal controls at Ministry of Finance and Economic Planning and spending agencies

3.4 SIGNIFICANCE OF THE SUBJECT MATTER

The subject matter is significant because the IMF, the developing partners and other intended users need to be assured that:

- I. Funds disbursed are used for the intended purposes as there is a high risk of fraud and that the RCF funds may not be used in payment of the two months' salary arrears as expected.
- II. The key provisions contained in the terms of agreement between the GRSS and IMF for the use of Rapid Credit Facility (RCF) are properly observed
- III. Full transparency and accountability in the use of pandemic – related resources is observed.
- IV. The National Audit Chamber shall conduct ex-post audit of the management of COVID -19 related spending and findings will be published online.

- V. The MoFP should publish monthly reports on their pandemic- related spending, which will be audited by the Auditor General on a quarterly basis.
- VI. Release of new phase of Rapid Credit Facility (RCF) depends on the first RCF audit report of the Auditor General
- VII. Risks of non-compliance to the subject matter identified are properly addressed.

3.5 AUDIT SCOPE

The scope of the audit will cover payment of two months salaries arrears for the months of June and July 2020 and will cover Central government MDAS, States governments and Counties and Organised Forces.

4 **AUDIT OBJECTIVES**

The overall objective was to assess the utilizations of the IMF RFC loan for salary arrears, considering the whole process from payment by IMF to the Bank of South Sudan to the payment of salaries to employees in the Central Government, Organized forces and the States.

The following sub-objectives were set for the audit:

- I. To confirm whether the allocated funds by MoFP have been received all by MDAs
- II. To confirm whether the MDAs are functional and in existence during the period relating to the salary arrears
- III. To confirm whether MDAs have a clear staffing and payroll structure clearly indicating all employees existing during the period
- IV. To confirm whether the received funds have been paid out to the respective employees
- V. To assess whether controls are in place to ensure full accountability for paid out and unpaid funds
- VI. To assess whether in cases where a cash system of payment was used, does the MDA have clear controls to ensure accuracy in the amounts paid out

5 **AUDIT CRITERIA**

The audit criteria were derived from the following legal framework:

Public Financial Management and Accountability Act 2011

- I. Section 11(1) requires that each Spending Agency or Public Enterprise, or Public Corporation shall have an Internal Audit Unit headed by Internal Auditor.
- II. Section 11(7) requires that each Audit Unit shall in accordance with this Act carry out an internal audit of its Spending Agency and submit reports on the internal audits it carries out to the Accounting Officer.
- III. Section 40 states that, any monies received in respect of loans shall be paid into the consolidated fund and shall be reflected as resources in the budget of the financial year in which it is received. Any expenditure financed by a loan has been paid into the consolidated fund shall be reflected as expenditure in the budget of the financial year in which it is spent
- IV. Section 50(1) states that any Public Officer administering the accounts of any Ministry, Department and Agency, or Public Enterprise or Corporation shall by the end of September of the subsequent Financial Year prepare, sign and shall submit to the Director General of Accounts with a copy to the Auditor General the annual accounts report in accordance with the content and classification of the Budget. The Director General shall prepare the final annual account of the budget and submit it to the Auditor-General no later than four months after the end of the Financial Year.
- V. Section 51(3) states that in the exercise of such duties, the Accounting Officer shall ensure that adequate control is exercised over the incurring of commitments; that effective systems of internal control and internal audit are applied in respect of all transactions and resources under the control thereof.
- VI. Section 51(5) states that, the Accounting Officer shall establish and maintain a record and produce accounts of all financial transactions under his or her jurisdiction and follow all accounting instructions as may be issued by the Ministry.
- VII. Section 58(1) states that, the States shall submit regular reports to the Ministry of Finance in form of interim accountability reports for the transfers received as determined by the Assembly, the provisions of this Act and the regulations.
- VIII. Section 61(1) states that, all Spending Agencies shall fully disclose to the Ministry of Finance information related to donor funding. The details relating to the management of donor funding, including guidelines, for the manner, thresholds, and regularity of reporting by Spending Agencies, Donors and NGOs, shall be provided for in the regulations.

Civil Service Act 2011

- I. Section 25 (1) states that the Nominal Roll of a Ministry, Commission or public institution shall provide the maximum number of staff that may be employed in the Ministry, Commission or public institution in accordance with the approved budget, the organisation chart of the Ministry, Commission or public institution, and the establishment structure of the Ministry, Commission or Civil institution.
- II. Section 25 (6) states that the Nominal Rolls shall be approved by The Ministry of Public Service according to approved personnel budget ceilings. Once approved, The Ministry shall issue an approval notification to the concerned Ministry, Commission or public institution with a copy to the Minister of Finance and Economic Planning
- III. Section 82 specifies that the service of a civil servant, official or employee of the Government of South Sudan shall end or be terminated for any of the following reasons (a) resignation; (b) death; (c) retirement including attainment of the retirement age under the Pension Act; (d) dismissal; (e) redundancy; (f) medical unfitness; (g) appointment to a Constitutional Post (h) loss or forfeiture of South Sudanese nationality; (i) end or termination of a special service contract; (j) failure to perform well during the probationary period; or (k) conviction by a court.

Other relevant sources of audit criteria include:

- The IMF letter of intent
- The RCF loan agreement
- Approved budgets and allocations to MDAs and States
- MOU between the BOSS and MOFP

6 DETAILED AUDIT FINDINGS IN THE CENTRAL GOVERNMENT AND ORGANIZED FORCES

The audit findings were obtained through documentary reviews and analysis and meetings with various undersecretaries at the national level. Below are details of the audit findings: -

6.1 DISBURSEMENT OF USD 52,328,252 BY MOFP AND APPLICATION OF FUNDS BY THE BOSS

The RCF Loan Agreement stipulates that the RCF funds would be used to clear part of the 5 months' (June-October 2020) salary arrears at the national and state levels.

Audit observed that the MOFP disbursed the **USD 52,328,252 as per the Table below:**

Description	USD	Remarks
Sold to BOSS at official rate 174.12 SSP/\$1	45,625,000	Proceeds SSP 7,944,251,458
Disbursed to Diplomatic Mission	3,400,548	Eligible Disbursement
Payments to various individuals for July 2020 salary – Actual beneficiaries not known	2,114,551	Unverified Disbursement
Payment to Taxation Dept. for-PIT and employer Pension contribution	517,150	Eligible Disbursement
Unidentified recipients (Individuals)	19,529	Ineligible Disbursement
Bank Charges	21,094	Eligible Disbursement
Total Disbursement	51,697,872	
Balance	630,380	

As the table shows, the MoFP sold **USD 45,625,000** to the BOSS at the rate of SSP 174.12 per dollar. This gave the MoFP an amount of **SSP 7,944,251,458** at the RCF Local Currency Account for payments of salary arrears in MDAs, Organised forces and States.

The remaining **USD 6,703,252** was transferred to various recipients such as the diplomatic missions, pension fund and individual accounts. The ineligible payments amounted to **USD 2,134,080** as shown in the table above. Such ineligible payments reduce the amount of funds available to clear salary arrears.

Out of the **USD 45,625,000** sold to the BOSS, the BoSS auctioned **USD 27,800,000** at a rate of over 500 SSP/USD. This gave the BoSS a premium amounting to **SSP 9,568,417,491**, as shown in **Appendix 1** and in the tables below.

Description	USD	USD
Hard Currency Purchased from MOFP		45,625,000
Auctioned	27,800,000*	
Printing Currency (De La Rue)	11,908,190	
Purchase of Electricity (JEDCO)	<u>6,000,000</u>	
		(45,708,190)
Balance		(83,190)

Description	SSP	SSP
Premium from Auctions USD 27,800,000*		9,568,417,491
Payment to MOFP	6,000,000,000	
Partial payment of POFP Overdraft	<u>3,568,417,491</u>	
		(9,568,417,491)
Balance		-

According to the Narrative report on the utilization of the RCF funds, this premium in SSP was to be deposited in a dedicated account at the BOSS and would be used to reduce the amount of MOFP's overdraft at the BOSS. From the table above, **SSP 3.5 Billion** was used as a partial payment of the overdraft whereas the balance of **SSP 6 Billion** was transferred to MOFP.

The balance in USD of **USD 17,825,000** which the BoSS had after transfer of SSP to the RCF Local currency account was used to make payments for electricity supply of **USD 6,000,000** and payments for printing currency amounting to **USD 11,908,190**.

The audit noted that there was no clear policy on how the premiums gained from this transaction should be allocated between the BoSS and the MoFP.

6.2 FAILURE TO FULLY TRANSFER ALLOCATED FUNDS TO THE CENTRAL GOVERNMENT MDAs, ORGANISED FORCES AND STATES

The RCF Loan Agreement stipulates that the RCF funds would be used to clear part of the 5 months' (June-October 2020) salary arrears at the national and state levels.

The audit observed that the MoFP received **SSP 7,944,251,458** from the BoSS to clear June and July 2020 salary arrears. Of this amount, **SSP 7,559,625,705** was utilized to clear the arrears, leaving a balance of **SSP 384,625,753** at the RCF Local Currency Account.

It is unclear how these undisbursed funds will be allocated, which could result in further diversions and inadequate disbursements to the spending agencies.

6.3 INELIGIBLE PAYMENTS OF SALARY ARREARS AND DOUBLE PAYMENTS IN DIPLOMATIC MISSIONS

The RCF Loan Agreement stipulates that, the RCF funds would be used to clear part of the 5 months' (June-October 2020) salary arrears at the national and state levels.

It was noted that ineligible salary arrears payments amounting to **USD 849,830** from June 2019 to July 2020 were made to staff in various diplomatic missions. In addition, double payments of July 2020 salaries amounting to **SSP 61,729** were made to some staff (**Appendix 2**).

This indicates a diversion of funds and a risk that some Government staff will not receive salary payments for this period. This is likely due to weak monitoring and control systems within the diplomatic missions to ensure accuracy in payments.

6.4 FAILURE TO ACCOUNT FOR UNPAID SALARIES

Section 51 (5) of the Public Financial Management and Accountability Act 2011 requires the accounting officer to establish and maintain a record and produce accounts of all financial transactions under his or her jurisdiction and follow all accounting instructions as may be issued by the Ministry.

It was however observed that contrary to the above requirements, various spending agencies in the Central Government Sectors did not remit unpaid salaries amounting to **SSP 4,454,928** to the agency safe or deposit the funds to their respective bank accounts. This implies weaknesses in the financial management system, which is attributed to lack of internal audit units to follow up payment procedures and implementation of accounting policies and regulations. These unpaid amounts could be diverted for other purposes possibly resulting in fraud. Refer to (**Appendix 3**) for details.

6.5 VARIANCE IN TRANSFERS TO THE CENTRAL GOVERNMENT SECTORS AMOUNTING TO SSP 602,969,064

Section 51 (3) of the Public Financial Management and Accountability Act 2011 requires the Accounting Officer to ensure that adequate control is exercised over the incurring of commitments; that effective systems of internal control and internal audit are applied in respect of all transactions and resources under the control thereof. In addition, the RCF Loan Agreement stipulates that, the RCF funds would be used to clear part of the 5 months (June-October 2020) salary arrears at the National and State levels.

The audit however noted that whereas the allocated transfers to the Central Government sectors totaled **SSP 2,511,393,854** for June and July salaries arrears, the Bank Statement/Credit Advices indicated an amount of **SSP 1,908,424,790** resulting in a balance of **SSP 602,969,064** (**Appendix 4- Column 4**)

This implies that inadequate funds were transferred to cater for the salary arrears and as such, some civil servants might not have been paid. This could have been due to inadequate verification of the number of civil servants and the funds required to clear their arrears.

6.6 FAILURE TO PROVIDE SUPPORTING DOCUMENTATION FOR PAYMENTS AMOUNTING TO SSP 81,538,110 WITHIN THE CENTRAL GOVERNMENT SECTORS

Section 51(5) of the Public Financial Management and Accountability Act 2011 states that, the Accounting Officer shall establish and maintain a record and produce accounts of all financial transactions under his or her jurisdiction and follow all accounting instructions as may be issued by the Ministry.

It was however noted that salary arrears payments amounting to **SSP 81,538,110** in various Central Government MDAs lacked the necessary supporting documentation such as paysheets and were hence unaudited.

This could be due to poor document management and internal controls within these MDAs. Without this documentation, it is difficult to ascertain whether funds were paid out to the rightful beneficiaries. Refer to **(Appendix 4 – Column 5)**

6.7 ORGANIZED FORCES AT CENTRAL GOVERNMENT VARIANCE SSP 374,370,432. VARIANCE IN TRANSFERS TO THE ORGANIZED FORCES IN THE CENTRAL GOVERNMENT - SSP 374,370,432

Section 51 (3) of the Public Financial Management and Accountability Act 2011 requires the Accounting Officer to ensure that adequate control is exercised over the incurring of commitments; that effective systems of internal control and internal audit are applied in respect of all transactions and resources under the control thereof. In addition, the RCF Loan Agreement stipulates that, the RCF funds would be used to clear part of the 5 months' (June-October 2020) salary arrears at the National and State levels

Whereas the Organized Forces were allocated a sum of **SSP 2,450,071,305**, they received funds amounting to **SSP 2,075,700,873**, leaving an unremitted balance of **SSP 374,370,432** on the RCF SSP Account. **(Appendix 5).**

This implies that some staff of the forces might not have received their payments. This could be due to inadequate verification of the number of staff and the funds required.

6.8 VARIANCE IN TRANSFERS TO THE MINISTRY OF DEFENCE OF SSP 296,496

Section 51 (3) of the Public Financial Management and Accountability Act 2011 requires the Accounting Officer to ensure that adequate control is exercised over the incurring of commitments; that effective systems of internal control and internal audit are applied in respect of all transactions and resources under the control thereof. In addition, the IMF letter of intent, audit objectives and RCF Loan Agreement

stipulates that, the RCF funds would be used to clear part of the 5 months (June–October 2020) salary arrears at the National and State levels.

The audit however observed that whereas **SSP 257,929,817** was transferred to the South Sudan People Defence Force (SSPDF) Divisions by MOFP, the allocated amount for June and July 2020 salary payments was **SSP 258,226,313**. This resulted in an excess payment over receipts of **SSP 296,496**. (**Appendix 6**)

There is a risk that staff in the Ministry were either overpaid or the excess funds were diverted for other purposes. On the other hand, the MOFP could have under budgeted the funds required by the Ministry of Defence due to inadequate verifications.

6.9 TRANSFER OF SSP 12,190,625 TO 3 UNIVERSITIES NOT FUNCTIONING

The RCF Loan Agreement stipulate that the RCF funds would be used to clear part of the 5 months' (June–October 2020) salary arrears at the national and state levels.

The audit however noted that **SSP 3,071,063** was transferred to three national Universities, which were not functioning (Aweil, Torit and Yambio). The three Universities were legally established but not operationalized as has there been no enrolment to date (**Appendix 7**).

This could have been due to inadequate verification by the MOFP before funds were transferred. These funds could remain idle on these accounts and possibly be diverted for other purposes.

6.10 FAILURE TO ACCOUNT FOR EXCESS SALARY TRANSFERS IN THE JUDICIARY OF SOUTH SUDAN

Section 51 (5) of the Public Financial Management and Accountability Act 2011 requires the accounting officer to establish and maintain a record and produce accounts of all financial transactions under his or her jurisdiction and follow all accounting instructions as may be issued by the Ministry.

It was however observed that funds transferred by the MoFP to the Judiciary of South Sudan for June and July 2020 salary arrears payments exceeded the total amounts in the pay sheets by **SSP 5,311,378**. These funds were not paid out and no salary pay sheets were available to auditors as evidence of salary payments. (**Appendix 8**)

This excess transfer by MoFP to the Judiciary is due to weak internal control systems within the MoFP to confirm and verify the number of eligible staff within the Judiciary. As a result, these excess funds could be diverted by the Judiciary for other purposes.

6.11 UNVERIFIED PAY SHEETS SSP 7,552,516.00

Section 50 (1) of the Public Financial Management and Accountability Act 2011 requires that any public officer administering the accounts of any Ministry, Agency, or Public Enterprise or Corporation shall by the end of September of the subsequent Financial Year prepare, sign and shall submit to the Director General of Accounts with a copy to the Auditor General the annual accounts report in accordance with the content and classification of the Budget. The Director General shall prepare the final annual account of the budget and submit it to the Auditor-General no later than four months after the end of the Financial Year.

Contrary to the above requirements, it was observed that pay sheets for transfers to the Ministry of Justice and Judiciary of South Sudan for State Courts payment of June and July 2020 salary arrears amounting to **SSP 7,552,516** were not provided to the auditors for verification as shown in **Appendix 9**.

This could be due to poor document management and internal systems within the Ministry. Without pay sheets, it is difficult to ascertain whether eligible staff received their payments and whether all the funds were correctly utilized.

6.12 WEAK INTERNAL CONTROL SYSTEM ON SALARY PAYMENTS

Section 51 (3) of the Public Financial Management and Accountability Act 2011 states that in the exercise of such duties, the Accounting Officer shall ensure that adequate control is exercised over the incurring of commitments; that effective systems of internal control and internal audit are applied in respect of all transactions and resources under the control thereof.

In addition, Sections 11 (1) and 11 (7) of the Public Financial Management and Accountability Act 2011 require each spending agency or public Enterprise or public Corporation shall have an internal audit unit headed by an Internal Auditor. Each Internal Audit Unit shall in accordance with this Act carry out an internal audit of its Spending Agency and submit reports on the internal audits it carries out to the Accounting Officer.

It was observed that employees in the Civil Aviation and Ministry of Roads and Bridges did not sign against their names as evidence of having received salary payments. This is attributed to lack of internal control systems to verify salary payments. Without this, it is difficult to ascertain whether these employees received their salary payments. These funds could be diverted for other purposes if not paid out to the beneficiaries.

It was further observed that the Supreme & States Courts did not maintain nominal rolls for the year 2020. This is likely due to weak internal control systems to ensure that such documentation is in place. As a result, confirmation and verification of names and grades of all Judges and support staff in the salary pay sheets against the names and grades in the approved nominal rolls was not possible. As a result, the accuracy of payments to the beneficiaries could not be fully ascertained.

7 FINDINGS IN THE STATES GOVERNMENTS AND ORGANISED FORCES

7.1 VARIANCE IN TRANSFERS TO THE STATES OF SSP 523,693,828

Section 51 (3) of the Public Financial Management and Accountability Act 2011 requires the Accounting Officer to ensure that adequate control is exercised over the incurring of commitments; that effective systems of internal control and internal audit are applied in respect of all transactions and resources under the control thereof. In addition, the IMF letter of intent, audit objectives and RCF Loan Agreement stipulates that, the RCF funds would be used to clear part of the 5 months (June-October 2020) salary arrears at the National and State levels.

It was however noted that whereas **SSP 2,598,160,546** was allocated for transfers to the States Governments, the credit advice/bank statements indicated that an amount of **SSP 2,074,466,718** was actually transferred. This resulted in an unremitted balance of **SSP 523,693,828** to the States as shown in **Appendix 10**.

This could be due to inadequate verifications of the number of civil servants within the states by the MoFP. There is a likelihood that some civil servants did not receive their payments.

7.2 DIVERSION OF RCF FUNDS TO FINANCE STATE CONDITIONAL GRANTS

Section 51 (3) of the Public Financial Management and Accountability Act 2011 requires the Accounting Officer to ensure that adequate control is exercised over the incurring of commitments and that effective systems of internal control and internal audit are applied in respect of all transactions and resources under the control thereof. In addition, the IMF letter of intent, RCF loan agreement and the approved budgets and allocations to MDAs and States stipulate that the RCF funds would be used to clear part of the 5 months' (June-October 2020) salary arrears at the National and State levels.

Contrary to the above requirements, it was observed that RCF funds amounts to **SSP 664,153,069** transferred to the States to cater for salary arrears was diverted to finance State Conditional Grants as shown in (**Appendix 11**). This diversion of funds implies that some State employees may not receive their salary arrears.

7.3 FAILURE TO ACCOUNT FOR UNPAID SALARIES

Section 51 (5) of the Public Financial Management and Accountability Act 2011 requires the accounting officer to establish and maintain a record and produce accounts of all financial transactions under his or her jurisdiction and follow all accounting instructions as may be issued by the Ministry.

It was however observed that various spending agencies did not remit unpaid salaries amounting to **SSP 4,941,391** to the agency safe or deposit the funds to their respective bank accounts. This implies weaknesses

in the financial management system, which is attributed to lack of internal audit units to follow up payment procedures and implementation of accounting policies and regulations. These unpaid amounts could be diverted for other purposes possibly resulting in fraud. Refer to (**Appendix 12**) for details.

7.4 IRREGULAR PAYMENT OF SALARIES TO DECEASED RELATIVES UNDER THE ORGANISED FORCES

Section 82 of the Civil Service Act 2011 specifies that the service of a civil servant, official or employee of the Government of South Sudan shall end or be terminated for any of the following reasons (a) resignation; (b) death; (c) retirement including attainment of the retirement age under the Pension Act; (d) dismissal; (e) redundancy; (f) medical unfitness; (g) appointment to a Constitutional Post (h) loss or forfeiture of South Sudanese nationality; (i) end or termination of a special service contract; (j) failure to perform well during the probationary period; or (k) conviction by a court.

It was however observed that relatives of deceased staff under the state organized forces irregularly received salary payments amounting to **SSP 1,510,865** as shown in (**Appendix 13**).

These payments were made on the basis that gratuities of the deceased have not been paid out to date. These irregular payments inflate the salary budget, which strains the limited Government resources.

7.5 IRREGULAR PAYMENT OF NON-SALARY ARREARS USING RCF FUNDS

The IMF letter of intent and loan agreement stipulate that the RCF funds would be used to clear part of the 5 months (June-October) salary arrears at the National and State levels.

It was however noted that RCF funds amounting to **SSP 92,747,547** were diverted to clear arrears and payments other than the salary arrears budget for as shown in (**Appendix 14**). This is likely due to the weak monitoring and internal controls within the States to ensure that funds are utilized for the right purpose. As a result, some states staff may not receive their salary arrears.

7.6 UNVERIFIED PAY SHEETS SSP 37,985,320 – CENTRAL EQUATORIA, YEI COUNTY.

Section 50 (1) of the Public Financial Management and Accountability Act 2011 requires that any public officer administering the accounts of any Ministry, Agency, or Public Enterprise or Corporation shall by the end of September of the subsequent Financial Year prepare, sign and shall submit to the Director General of Accounts with a copy to the Auditor General the annual accounts report in accordance with the content and classification of the Budget. The Director General shall prepare the final annual accounts of the budget and submit it to the Auditor-General no later than four months after the end of the Financial Year.

It was however observed that pay sheets relating to salary payments amounting to **SSP 37,985,320** in Central Equatoria State were missing and hence not verified by the audit team. Without verification of these pay sheets, it is difficult to ascertain whether these funds were paid out to the rightful beneficiaries.

Table.

No	State	Amount SSP
1	Central Equatoria – Pay Sheets not presented for verification	37,985,320

7.7 WEAK INTERNAL CONTROL SYSTEM ON SALARY PAYMENTS

Sections 11(1) and 11(7) of the Public Financial Management and Accountability Act 2011 require each Spending Agency or Public Enterprise or Public Corporation shall have an Internal Audit Unit headed by Internal Auditor. And each Internal Audit Unit shall in accordance with this Act carry out an internal audit of its Spending Agency and submit reports on the internal audits it carries out to the Accounting Officer.

It was however observed that several States spending agencies have weak internal control systems regarding salary payments. There is also lack of internal audit units to monitor and verify payment procedures. Some of the weaknesses observed are as below:

State	Particulars	Amount SSP
Central Equatoria	Allowances not supported with relevant documents	1,525,160
Central Equatoria	One person signing for 10 or more persons on the same pay sheet	
Central Equatoria	Unaccounted amount- Difference of pay sheet total and Summary Pay sheet total attached	3,310,101
Ruweng AA	Staff received salaries without signing against their names <ul style="list-style-type: none"> i. Ministry of Education – SSP 708,804 ii. Legislative Assembly - SSP 653,870 iii. Office of Chief of RAA- SSP 624,541 Operation cost not entitled - SSP17,997,131	19,966,346

7.8 LACK OF NOMINAL ROLLS

Section 25(1) of the Civil Service Act 2011 states that the Nominal Roll of a Ministry, Commission or public institution shall provide the maximum number of staff that may be employed in the Ministry, Commission or public institution in accordance with the approved budget, the organization chart of the Ministry, Commission or public institution, and the establishment structure of the Ministry, Commission or Civil institution.

It was however observed that the States as shown in the table below lacked nominal rolls and as such, the confirmation and verification of names and grades of employees in the salary pay sheets against names and grades in the approved nominal rolls was not carried out.

Without such verifications, it is difficult to confirm the accuracy of the payment made and whether they were to the rightful beneficiaries.

No	State
1	Eastern Equatoria - Budget for 2018/2019 and 2019/2020 Passed Without Nominal Roll
2	Ruweng Administrative Area- 1731 Staff in Ruweng and counties receiving salaries and no nominal roll established.

8 CONCLUSION

The National Audit Chamber has the discretion to conduct compliance audits according to the mandate provision contained in Article 186 (2), (7) and (10) of the Transitional Constitution of the Republic of South Sudan - As Amended and Sections (7), (12) and (36) of the National Audit Chamber Act 2011.

The National Audit Chamber has conducted a compliance audit of the Central government MDAs, States governments & Counties and the Organized Forces on the utilization of RCF funds disbursed for salary arrears payments to the South Sudan public sector employees for the months of June and July 2020 and evaluated compliance with the; Public Financial Management and Accountability Act 2011 section 40, section (50), section 51(3), (5) section 58 (1), And Section 61 (1), Civil Service Act 2011 Section 61 (1), Section 25 (6), And Section 82 and IMF letter of Intent, approved budgets and allocations to MDAs and States and the RCF Grant Agreement.

Based on the audit procedures performed and the evidence obtained, except for the matters in the basis of qualified conclusion paragraph, the application of the RCF of **USD 52,328,252** was in compliance, in all material respects with the applicable criteria.

9 RECOMMENDATIONS

- I. The Ministry of Finance should coordinate with the BOSS to ensure that clear policies on loan and loan management are in place including currency auctions, dissemination of funds to beneficiary organizations and follow up and monitoring of the use of funds.
- II. The Ministry of Finance should strengthen the internal control and audit functions within the various MDAs and States and ensure adequate follow up and reporting on distributed funds to the various MDAs and States.
- III. The Ministry of Finance should enable systems to pay Public Sector Employees' emoluments through the Commercial Banks.
- IV. The Ministry of Public service should ensure clear and adequate policies and controls in place to manage salary payments.
- V. The Ministry of Public service should initiate a process to issue biometrics identifications to ALL Public Sector Employees.
- VI. The Ministry of Public service should put systems in place to digitize the Public Payroll to enable more efficient management of payroll issues.

Signed:

Steven Kilion Wonda

Auditor General.

Date:/...../ 2021

APPENDICES

A. Central Government Sectors and Organised Forces

APPENDIX 1 - PREMIUM FROM AUCTION OF 27,800,000 USD BY BOSS

Auction Amount USD	Proceeds at Auction Bid Rate	Proceeds at BOSS Official Rate	Premium SSP
2,000,000	1,049,322,340.00	374,143,600.00	675,178,740.00
2,000,000	1,044,513,509.40	369,501,600.00	675,011,909.40
2,000,000	1,039,353,410.00	364,917,200.00	674,436,210.00
2,000,000	1,051,285,670.00	361,252,600.00	690,033,070.00
2,000,000	1,071,171,050.00	361,200,800.00	709,970,250.00
2,000,000	1,065,142,720.00	361,060,800.00	704,081,920.00
2,000,000	1,057,468,419.00	360,857,800.00	696,610,619.00
800,000	419,509,520.00	144,274,320.00	275,235,200.00
2,000,000	1,050,048,840.00	360,616,200.00	689,432,640.00
2,000,000	1,100,872,787.96	360,062,600.00	740,810,187.96
2,000,000	1,077,770,507.80	360,062,600.00	717,707,907.80
2,000,000	1,062,179,730.10	359,877,800.00	702,301,930.10
2,000,000	1,027,676,760.00	359,565,600.00	668,111,160.00
2,000,000	1,010,807,902.00	359,600,400.00	651,207,502.00
1,000,000	478,022,145.00	179,733,900.00	298,288,245.00
27,800,000	14,605,145,311.26	5,036,727,820.00	9,568,417,491.26

**APPENDIX 2 - PAYMENTS OF ARREAS USD 849,830 AND DOUBLE PAYMENTS-
JULY 2020**

S/N.	Name	Payment Not entitled USD	Entitled and already paid July 2020 USD	Entitled and already paid July 2020 SSP	Embassy	Remakes
1.	Amb. Mayen Dut Wol	9,031	-----	12,382	Sudan	At time of payment of RCF funds The Undersecretary of the Ministry was already in the Headquarters so he was not entitled of 9,031 USD. This is a double payment
2.	Amb. William Wani Ruben	104,840	10,484	-----	Tanzania	He was not entitled for \$ 104,484 salary arrears From Oct, 2019 up to July 2020
3.	Mrs. Cecilla Charles Shiku	30,000	750	-----	Tanzania	She was not entitled of 30,000 USD. From June 2019 up to July 2020
4.	Mr. John Makenyi	25,200	400	-----	Tanzania	He was not entitled of 25,200 USD. From June 2019 up to July 2020
5.	Ms. Consolata Komba	18,000	350	-----	Tanzania	She was not entitled of 18,000 USD. From June 2019 up to July 2020
6.	Sanze Mohammed	10,200	750	-----	Tanzania	He was not entitled of 10,200 USD. From June 2019 up to July 2020
7.	Amb, Michael Milli Hussein	31,452	-----	12,382	China	He was not entitled of 31,452 USD. Three months paid from RCF funds
8.	Mr. Polino Choty Akijnyjok	9,467	-----	6,022	Ghana	He was not entitled of 9,467 USD. Double payments
9.	Amb. Michael Mayiel Chol	9,031	-----	12,382	Ghana	He was not entitled of 9,031 USD. Double payment
10.	Michael Malwa Madut	8,450	-----	4,873	Ghana	He was not entitled of 8,450 USD. Double payments

11.	Peter Lual Gaijak	8,450	-----	3,465	DRC	He was not entitled of 8,450 USD. Double payments.
12.	Sarah Victor Bol	12,745	-----	10,223	UK	He was not entitled of 12,745 USD. Double payments
13.	Amb. Kondok John Aguek	38,235	-----	-----	Dubai	Three months paid from - RCF funds
14.	Amb. Samuel Hakim Charles	23,313	-----	-----	Dubai	Three months paid from - RCF funds
15.	Ahemed John Abel	11,550	1,050	-----	Tanzania	Paid from RCF funds from June 2019 to July 2020
16.	Rejoice Charles	9,350	850	-----	Tanzania	Paid from RCF funds from June 2019 to July 2020
17.	Mading John	7150	650	-----	Tanzania	Paid from RCF funds from June 2019 to July 2020
18.	Luria Adyambi Odoyo	5,647	513	-----	Tanzania	Paid from RCF funds from June 2019 to July 2020
19.	Amb. Dr. Riek Puok Riek	20,968	10,484	-----	Morocco	Two months paid from RCF funds
20.	Mr. John Majak Mourater	4,032	11,502	-----	Morocco	One month paid from RCF
21.	Mayom Atem Arok	13,200	1,200	-----	Sudan	Paid from RCF funds from June 2019 to July 2020
22.	Stephen Garang Malual	11,000	1,000	-----	Sudan	Paid from RCF funds from June 2019 to July 2020
23.	Sawaahi Benjamin	7,148	650	-----	Sudan	Paid from RCF funds from June 2019 to July 2020
24.	Jelek Mabeny Mawut	6,105	555	-----	Sudan	Paid from RCF funds from June 2019 to July 2020
25.	Lui Sun Tao	15,000	3,000	-----	Japan	Paid from RCF funds from Feb 2020 to July 2020
26.	Pan Yue	13,745	2,749	-----	Japan	Paid from RCF funds from Feb 2019 to July 2020
27.	Lueth Herjok Yuol	28,325	2,575	-----	Dubai	Paid from RCF funds from June 2019 to July 2020
28.	Amath Ayuel John	22,550	2,050	-----	Dubai	Paid from RCF funds from June 2019 to July 2020
29.	Rose Madodzi	16,500	1,500	-----	Ghana	Paid from RCF funds from June 2019 to July 2020
30.	Carl B.T Rhule	9,900	900	-----	Ghana	Paid from RCF funds from June 2019 to July 2020
31.	Richard Andoh	7,150	650	-----	Ghana	Paid from RCF funds from June 2019 to July 2020
32.	George Mensah	5,500	500	-----	Ghana	Paid from RCF funds from June 2019 to July 2020
33.	Joy Isaac Openeng	4,554	414	-----	Ghana	Paid from RCF funds from June 2019 to July 2020
34.	Wilson John Roth	33,715	3,065	-----	Germany	Paid from RCF funds from June 2019 to July 2020

35.	Rocca Lupe	24,750	2,251	-----	Germany	Paid from RCF funds from June 2019 to July 2020
36.	Aker John Atem	24,750	2,250	-----	Germany	Paid from RCF funds from June 2019 to July 2020
37.	Lambi Kim J.	27,500	2,500	-----	Eritera	Paid from RCF funds from June 2019 to July 2020
38.	Mandek Fredie	22,880	2,080	-----	Eritera	Paid from RCF funds from June 2019 to July 2020
39.	Ayak Paul Doung	22,880	2,080	-----	Eritera	Paid from RCF funds from June 2019 to July 2020
40.	Ayuel Aker	16,115	1,465	-----	Eritera	Paid from RCF funds from June 2019 to July 2020
41.	Zahra Haddadi	27,500	2,500	-----	Morocco	Paid from RCF funds from June 2019 to July 2020
42.	Mohammed Ahemed	23,100	2,100	-----	Morocco	Paid from RCF funds from June 2019 to July 2020
43.	Safer Aemed	16,500	1,500	-----	Morocco	Paid from RCF funds from June 2019 to July 2020
44.	Makur Maper	11,550	1,050	-----	Morocco	Paid from RCF funds from June 2019 to July 2020
45.	Adut Akech John	9,350	850	-----	Morocco	Paid from RCF funds from June 2019 to July 2020
46.	Amb. Ambrose Raphael	31,452	-----	-----	DRC	He was not entitled of 31,452 USD. Three months paid from RCF funds
	Total	849,830	79,217	61,729		

APPENDIX 3 - UNPAID SALARY NOT DEPOSITED TO THE CHEST

Sectors	June - 2020 Actual Payments	Credit Advice	Variance	Unpaid Salaries
Accountability	7,228,104	5,660,681	1,567,423	91,488
Economic	14,552,527	10,835,137	3,717,390	274,424
Education	1,145,156,291	872,672,979	272,483,312	402,669
Health	10,822,286	8,333,328	2,488,958	
Infrastructure	3,861,648	3,062,103	799,545	421,703
Natural Resources	4,751,475	3,688,230	1,063,245	35,603
Public Admin	13,934,727	14,371,169	(436,442)	963,016
Rule of Law	11,374,425	9,167,491	2,206,934	255,620
Security	837,939	663,701	174,238	
H & Social Welfare	4,351,082	3,497,645	853,437	48,611
Total	1,216,870,504	931,952,464	284,918,040	2,493,134

<i>Sectors</i>	<i>July - 2020 Actual Payments</i>	<i>Credit Advice</i>	<i>Variance</i>	<i>Unpaid Salaries</i>
Accountability	7,458,067	5,857,247	1,600,820	107,079
Economic	14,616,433	10,875,501	3,740,932	303,255
Education	1,223,220,865	907,803,527	315,417,338	258,900
Health	10,597,798	8,333,328	2,264,470	
Infrastructure	3,895,706	3,062,103	833,603	398,374
Natural Resources	4,733,599	3,668,584	1,065,015	75,981
Public Admin	13,992,810	14,371,169	(378,359)	607,444
Rule of Law	10,730,328	18,334,982	(7,604,654)	255,619
Security	843,490	668,240	175,250	
H & Social Welfare	4,434,254	3,497,645	936,609	46,142
Total	1,294,523,350	976,472,326	318,051,024	2,052,794

G/Total	2,511,393,854	1,908,424,790	602,969,064	4,545,928
----------------	----------------------	----------------------	--------------------	------------------

**APPENDIX 4 - CENTRAL GOVERNMENT SECTORS' VARIANCE OF SSP 602,969,064
AND UNAUDITED AMOUNT SSP 81,538,110**

Sectors	June - 2020 Actual Payments	Credit Advice	Variance	Unaudited Amount
Accountability	7,228,104	5,660,681	1,567,423	
Economic	14,552,527	10,835,137	3,717,390	3,002,044
Education	1,145,156,291	872,672,979	272,483,312	
Health	10,822,286	8,333,328	2,488,958	
Infrastructure	3,861,648	3,062,103	799,545	
Natural Resources	4,751,475	3,688,230	1,063,245	
Public Admin	13,934,727	14,371,169	(436,442)	
Rule of Law	11,374,425	9,167,491	2,206,934	37,761,258
Security	837,939	663,701	174,238	
H & Social Welfare	4,351,082	3,497,645	853,437	
Total	1,216,870,504	931,952,464	284,918,040	40,763,302

Sectors	July - 2020 Actual Payments	Credit Advice	Variance	Unaudited Amount
Accountability	7,458,067	5,857,247	1,600,820	
Economic	14,616,433	10,875,501	3,740,932	3,013,550
Education	1,223,220,865	907,803,527	315,417,338	
Health	10,597,798	8,333,328	2,264,470	
Infrastructure	3,895,706	3,062,103	833,603	
Natural Resources	4,733,599	3,668,584	1,065,015	
Public Admin	13,992,810	14,371,169	(378,359)	
Rule of Law	10,730,328	18,334,982	(7,604,654)	37,761,258
Security	843,490	668,240	175,250	
H & Social Welfare	4,434,254	3,497,645	936,609	
Total	1,294,523,350	976,472,326	318,051,024	40,774,808

G/Total	2,511,393,854	1,908,424,790	602,969,064	81,538,110
----------------	----------------------	----------------------	--------------------	-------------------

Column

4

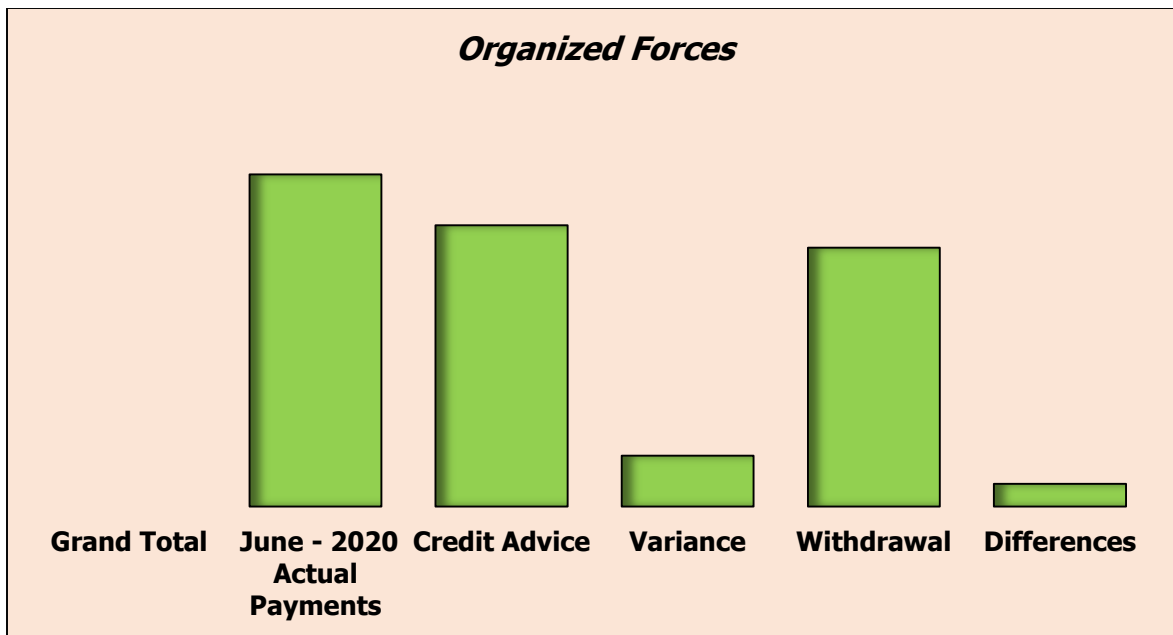
5

APPENDIX 5 - ORGANISED FORCES VARIANCE SSP 374,370,432

Agency	June - 2020 Actual Payments	Credit Advice	Variance
Ministry of Interior HQs	140,649	111,988	28,661
Fire Brigade	16,618,368	15,365,138	1,253,230
Fire Brigade	1,489,043	1,374,961	114,082
Police	128,085,517	117,553,544	10,531,973
Nationality and Passport	13,322,827	10,871,787	2,451,040
Prisons	17,429,415	16,234,655	1,194,760
Tourism	414,092	325,324	88,768
Tourism	103,047	93,737	9,310
Wildlife	27,387,997	25,348,602	2,039,395
Veterans Affairs	168,627,646	158,658,515	9,969,131
Veterans Affairs	226,572	178,295	48,277
Ministry of Defence	618,360,878	583,260,203	35,100,675
Ministry of Defence			0
General Intelligence Bureau	11,775,957	10,654,633	1,121,324
Internal Security Bureau	81,325,554	74,120,696	7,204,858
Customs Service(NRA)	27,505,051	21,236,253	6,268,798
Grand Total	1,112,812,613	1,035,388,331	77,424,282

Agency	July - 2020 Actual Payments	credit advice	Variance
Ministry of Interior HQs	140,649	111,988	28,661
Fire Brigade	16,618,346	15,365,138	1,253,208
Fire Brigade	1,489,043	1,374,961	114,082

Police	132,058,326	113,903,674	18,154,652
Nationality and Passport	13,412,908	10,943,757	2,469,151
Prisons	17,429,415	16,234,655	1,194,760
Tourism	414,092	325,324	88,768
Tourism	103,047	93,737	9,310
Wildlife	27,387,997	25,348,602	2,039,395
Veterans Affairs	168,627,646	166,752,375	1,875,271
Veterans Affairs	233,571	183,703	49,868
Ministry of Defence	24,798,230		24,798,230
Ministry of Defence	194,821,776		194,821,776
Ministry of Defence	619,117,084	583,663,046	35,454,038
General Intelligence Bureau	11,775,957	10,654,633	1,121,324
Internal Security Bureau	81,325,554	74,120,696	7,204,858
Customs Service(NRA)	27,505,051	21,236,253	6,268,798
Sub Grand Total	1,337,258,692	1,040,312,542	296,946,150
Grand Total	2,450,071,305	2,075,700,873	374,370,432



APPENDIX 6 - SSPDF NEGATIVE VARIANCE

Agency	June 2020 Transfer	Payments at the Division	deduction
Division One	7,506,825	7,506,825	0
Division Two	7,872,435	7,872,435	0
Division Three	26,400,210	26,400,210	0
Division Four	14,811,486	14,896,945	-85,459
Division Five	11,976,628	11,976,628	0
Division Six	14,947,480	14,947,480	0
Division Seven			0
Division Eight	5,045,574	4,972,062	73,513
Division Nine	15,277,291	15,416,386	-139,095
Division Ten	4,574,070	4,574,070	0
Division Eleven	20,459,090	20,459,090	0
Total	128,871,089	129,022,130	-151,041

Agency	July 2020 Transfers	Payments at the Division	Deduction
Division One	7,507,864	7,507,864	0
Division Two	7,937,128	7,940,596	-3,468
Division Three	26,400,210	26,400,210	0
Division Four	14,823,292	14,896,945	-73,653
Division Five	12,110,095	12,110,095	0
Division Six	15,009,775	15,009,775	0
Division Seven			0
Division Eight	5,018,730	4,947,969	70,761
Division Nine	15,277,291	15,416,386	-139,095
Division Ten	4,515,253	4,515,253	0
Division Eleven	20,459,090	20,459,090	0
Total	129,058,728	129,204,183	-145,455
Total Grand	257,929,817	258,226,313	-296,496

**APPENDIX 7 - TRANSFER OF SSP 12,190,625 AND VARIANCE OF SSP 3,071,063,000
AT THREE UNIVERSITIES NOT FUNCTIONING**

Salary Arrears for June /July 2020			
<i>June-2020</i>			
Education Sector (2020)	June 2020 Actual Payments	Credit Advice	Variance
1411 (MHE) Northern B-Ghazal Univ	1,976,946.00	1,455,000.00	521,946.00
1411 (MHE) Torit University	2,082,133.00	1,562,240.00	519,893.00
1411 (MHE) Western Eq. University	2,056,313.00	1,542,541.00	513,772.00
Sub Total Education Sector	6,115,392.00	4,559,781.00	1,555,611.00
<i>July-2020</i>			
Education Sector (2020)	July 2020 Actual Payments	Credit Advice	Variance
1411 (MHE) Northern B-Ghazal University	1,976,946.00	1,455,000.00	521,946.00
1411 (MHE) Torit University	2,082,133.00	1,562,240.00	519,893.00
1411 (MHE) Western Eq. University	2,016,154.00	1,542,541.00	473,613.00
Sub Total Education Sector	6,075,233.00	4,559,781.00	1,515,452.00
Grand Total	12,190,625.00	9,119,562.00	3,071,063.00

**APPENDIX 8 - EXCESS PAYMENT BY THE JUDICIARY OVER MONEY
TRANSFERRED BY MOFP SSP 5,311,378**

June-2020				
Rule of Law Sector	Credit Advice	Bank Statement	Withdrawal	Variance
2031 (JSS) Judiciary of South	7,626,215	7,626,215	4,970,526	2,655,689
Sub Total Rule of Law Sector	7,626,215	7,626,215	4,970,526	2,655,689

July-2020				
Rule of Law Sector	Credit Advice	Bank Statement	Withdrawal	Variance
2031 (JSS) Judiciary of South	7,626,215	7,626,215	4,970,526	2,655,689
Sub Total Rule of Law Sector	7,626,215	7,626,215	4,970,526	2,655,689

Grand Total	15,252,430	15,252,430	9,941,052	5,311,378
--------------------	-------------------	-------------------	------------------	------------------

APPENDIX 9 - TRANSFERRED TO STATES LEGAL OFFICES/ MINISTRY OF JUSTICES

S/NO	DATE	DEPARTMENT	NO OF STAFF	AMOUNT	REMARKS
1	Jul-20	Eastern equatoria state	8	13,539.00	no sign of beneficiaries
2	Jul-20	Jonglei state	17	21,217.00	sign by one person
3	Jul-20	Lake state	13	24,719.00	no sign of beneficiaries
4	Jul-20	Northern Bahr el Ghazal	21	31,680.00	no sign of beneficiaries
7	Jul-20	Warrap state	22	26,320.00	no sign of beneficiaries
8	Jul-20	Western Bahr el Ghazal State	16	21,172.00	no sign of beneficiaries
9	Jul-20	western Equatoria state	13	18,549.00	no sign of beneficiaries
10	Jul-20	Legal Administration/ Jonglei state	8	67,945.00	ONE person signed
11	Jul-20	Legal Administration/Eastern Equatoria state	11	69,361.00	no sign of beneficiaries
12	Jul-20	Legal Administration/ Unity state	7	53,043.00	all beneficiaries not sign
13	Jul-20	Legal Administration/ Warrap state	7	63,776.00	No sign of beneficiaries only one person sign in his name
14	Jul-20	Legal Administration/ Western Bahr el Ghazal State	11	80,094.00	no sign of beneficiaries
15	Jul-20	Legal Administration / Northern Bahr el Ghazal State	8	62,135.00	No sign of beneficiaries only two person sign in his name
		TOTAL AMOUNT NOT VERIFIED	162	553,550.00	

Description	SSP
Transfer to States Courts	6,998,966
Transfer to State Legal Administration	553,550
<u>Total</u>	7,552,516

B. States Governments, Administrative Areas and States Organized Forces

APPENDIX 10 - STATES GOVERNMENTS AND ADMINISTRATIVE AREAS VARIANCE SSP 215,414,771.52

State	June 2020 Actual Payments	Credit Advice	Variance	Not provided
CE	134,255,339	106,852,294	27,403,045	18,736,585
EE	96,356,672	94,584,572	1,772,100	
Jonglei	179,071,490	141,650,014	37,421,476	
Lakes	127,203,826	44,714,552	82,489,274	
NBG	128,433,710	103,986,833	24,446,877	
Unity	99,440,665	99,505,287	(64,623)	
Upper Nile	165,213,511	136,188,201	29,025,310	
Warrap	127,023,917	100,689,220	26,334,697	
WE	104,461,282	80,362,237	24,099,045	
WBG	55,480,561	53,720,427	1,760,134	
BAA	34,270,323	22,500,000	11,770,323	
RAA	30,880,442	25,946,769	4,933,673	
AAA	16,988,535	15,538,590	1,449,945	
G. T	1,299,080,273	1,026,238,997	272,841,276	18,736,585

State	July 2020 Actual Payments	Credit Advice	Variance	Not provided
CE	134,255,339	106,952,294	27,303,045	19,249,735
EE	96,356,672	94,656,572	1,700,100	
Jonglei	179,071,490	148,878,177	30,193,313	
Lakes	127,203,826	48,344,350	78,859,476	
NBG	128,433,710	103,986,833	24,446,877	
Unity	99,440,665	99,376,042	64,623	
Upper Nile	165,213,511	136,188,201	29,025,310	
Warrap	127,023,917	100,689,220	26,334,697	
WE	104,461,282	90,062,237	14,399,045	
WBG	55,480,561	53,724,068	1,756,493	
BAA	34,270,323	22,500,000	11,770,323	
RAA	30,880,442	25,946,769	4,933,673	
AAA	16,988,535	16,922,958	65,577	
Sub Total	1,299,080,273	1,048,227,722	250,852,551	19,249,735

Grand Total	2,598,160,546	2,074,466,718	523,693,828	37,986,320
--------------------	----------------------	----------------------	--------------------	-------------------

**APPENDIX 11 - CONDITIONAL GRANTS PAYMENTS TO THE STATES FROM RCF
1 AND VARIANCE OF SSP 664,153.069**

Particulars	June 2020	July 2020	Sub Total SSP	Grand Total SSP
Eastern Equatorial state Torit				
Transfer from MoFP	80,591,745	80,591,745	161,183,490	
Total Net State Salary paid	(22,939,824)	(24,614,369)	(47,554,193)	
Balance Conditional Grants	57,651,921	55,977,376	113,629,297	113,629,297
Civil Defense Force –Torit				
Transfer from MoFP	2,331,663	2,331,663	4,663,326	
Total Net Salaries Paid	(1,648,946)	(1,648,946)	(3,297,892)	
Balance Conditional Grants	682,717	682,717	1,365,434	1,365,434
Prison Services- Torit				
Transfer from MoFP	3,522,989	3,522,989	7,045,978	
Total net salaries paid	(2,733,064)	(2,733,064)	(5,464,128)	
Balance Conditional grants	789,925	789,925	1,579,850	1,579,850
Jonglei State				
Transfer from MoFP	141,650,014	148,878,177	290,528,191	
Net salaries paid	(120,790,810)	(121,771,620)	(242,562,430)	
Balance Conditional Grants	20,859,204	27,106,557	47,965,761	47,965,761
Western Equatoria State				
Transfer from MoFP	93,437,736	93,437,736	186,875,472	
Amount Received through Ivory Bank Yambio Branch	(80,362,237)	(90,062,237)	(170,424,474)	
Difference	13,075,499	3,375,499	16,450,998	16,450,998
Amount Received through Ivory Bank Yambio Branch	80,362,237	90,062,237	170,424,474	
Net Salary paid			(84,799,254)	
Balance Conditional Grants			85,625,220	85,625,220
Northern Bahar El Ghazal state				
Transfer from MoFP	103,986,833	103,986,833	207,973,666	
Amount Received through Ivory Bank Aweil Branch	(88,236,833)	(89,700,000)	(177,936,833)	
Balance Conditional Grants	15,750,000	14,286,833	30,036,833	30,036,833

Amount Received through Ivory Bank Aweil Branch	88,236,833	89,700,000	177,936,833	
Less; Salaries of Ministries	(40,561,428)	(40,561,428)	(81,122,856)	
Less; Salaries of Counties	(12,303,532)	(12,303,532)	(24,607,066)	
Less; Constitutional Post Holders	(7,953,039)	(9,371,000)	(17,324,039)	
Balance Conditional Grants	27,418,834	27,464,040	54,882,872	54,882,872
Operating cost of Ministries	23,722,952	23,722,952	47,445,904	
Operating cost of Counties	3,638,500	1,638,500	5,277,000	
University of Northern Bhar El Ghazal		450,000	450,000	
Commitment paid under the Ministry of Finance		1,414,250	1,414,250	
bank charges		207,459	207,459	
Other State payments from RCF Funds	27,361,092	27,433,161	54,794,613	54,794,613
Upper Nile State				
Transfer from MoFP	136,188,201	136,188,202	272,376,404	
Total Net State Salary paid	(37,825,592)	(36,229,725)	(74,055,317)	
Balance Conditional Grants	98,362,609	99,958,477	198,321,086	198,321,087
Warrap State				
Transfer from MoFP	100,689,220	100,689,220	201,378,440	
Total Net State Salary paid	75,907,300	75,907,300	151,814,600	
Balance Conditional Grants	24,781,920	24,781,920	49,563,840	49,563,840
GPAA				
Transfers to state MoFP	27,468,632	27,468,632	54,937,264	
Net Salary	(22,500,000)	(22,500,000)	(45,000,000)	
Balance Conditional Grants	4,968,632	4,968,632	9,937,264	9,937,264
Grand Total				664,153,069

APPENDIX 12 - STATES AND ADMINISTRATIVE AREAS UNPAID SALARIES

State	June 2020 Actual Payments	Credit Advice	Variance	Bank Statement	Withdrawal	Differences	Unpaid Amount
CE	134,255,339	106,852,294	27,403,045	106,852,294	106,852,294	-	1,121,086
EE	96,356,672	94,584,572	1,772,100	80,519,745	22,939,824	57,579,921	
Jonglei	179,071,490	141,650,014	37,421,476	141,650,014	141,650,014	-	161,459
Lakes	127,203,826	44,714,552	82,489,274	20,313,977	20,313,977	-	330,300
NBG	128,433,710	103,986,833	24,446,877	89,700,000	89,669,121	30,879	
Unity	99,440,665	99,505,287	(64,623)	85,203,770	85,203,770	-	
Upper Nile	165,213,511	136,188,201	29,025,310	136,188,201	37,825,593	98,362,609	460,547
Warrap	127,023,917	100,689,220	26,334,697	100,689,220	84,238,814	16,450,406	
WE	104,461,282	80,362,237	24,099,045	80,362,237	80,362,237	-	213,272
WBG	55,480,561	53,720,427	1,760,134	37,451,821	37,451,821	-	0
BAA	34,270,323	22,500,000	11,770,323	22,500,000	22,500,000	-	
RAA	30,880,442	25,946,769	4,933,673	25,946,769	25,946,769	-	
AAA	16,988,535	15,538,590	1,449,945	13,956,739	13,956,739	-	
G. T	1,299,080,273	1,026,238,997	272,841,276	941,334,787	768,910,973	172,423,815	2,286,664

State	July 2020 Actual Payments	Credit Advice	Variance	Bank Statement	Withdrawal	Differences	Unpaid Amount
CE	134,255,339	106,952,294	27,303,045	106,952,294	106,952,294	-	1,322,116
EE	96,356,672	94,656,572	1,700,100	80,591,745	24,614,369	55,977,376	
Jonglei	179,071,490	148,878,177	30,193,313	148,878,177	148,878,177	-	143,597
Lakes	127,203,826	48,344,350	78,859,476	20,313,977	20,313,977	-	330,300
NBG	128,433,710	103,986,833	24,446,877	88,236,833	88,179,451	57,382	
Unity	99,440,665	99,376,042	64,623	85,074,525	85,074,525	-	
Upper Nile	165,213,511	136,188,201	29,025,310	136,188,201	36,229,726	99,958,476	614,708
Warrap	127,023,917	100,689,220	26,334,697	100,689,220	84,738,814	15,950,406	
WE	104,461,282	90,062,237	14,399,045	90,062,237	90,062,237	-	244,006
WBG	55,480,561	53,724,068	1,756,493	37,455,462	37,455,462	-	0
BAA	34,270,323	22,500,000	11,770,323	22,500,000	22,500,000	-	
RAA	30,880,442	25,946,769	4,933,673	25,946,769	25,946,769	-	
AAA	16,988,535	16,922,958	65,577	13,956,739	13,956,739	-	
Sub Total	1,299,080,273	1,048,227,722	250,852,551	956,846,179	784,902,540	171,943,640	2,654,727

Grand Total	2,598,160,546	2,074,466,718	523,693,828	1,898,180,967	1,553,813,512	344,367,455	4,941,391
--------------------	----------------------	----------------------	--------------------	----------------------	----------------------	--------------------	------------------

APPENDIX 13 - PAYMENTS TO RELATIVES OF DECEASED STAFF

Deceased	State	June 2020	July 2020	Total
40	State Civil Defence –Torit	73,455	31,806	105,261
167	State Police Force –Torit	305,676	305,676	611,352
179	State Wildlife Force –Torit	397,126	397,126	794,252
386		776,257	734,608	1,510,865

APPENDIX 14 - NON SALARY STATES OPERATIONAL PAYMENTS

State	Particulars	Amount SSP
Eastern Equatoria	State Operating Cost paid from RCF – Budget	23,426,813.
Eastern Equatoria	State Police force operating cost paid from RCF budget	400,000.
Northern Bahar G.	I. Operating cost of Ministries and Counties	52,722,904
	II. University of Northern Bhar El Ghazal	450,000
	III. Commitment paid under the Ministry of Finance	1,414,250
Western Equatoria	I. Operation cost paid from RCF budget	7,166,790
	II. MoFP-WES- Staff incentives, fuel and police guards paid from RCF	715,200
Western Equatoria	MoEducation –Teachers incentives paid from RCF	306,740
Western Equatoria	MoPhysical Infrast. Paid casual workers from RCF	100,000
Western Equatoria	Coordination office – Paid incentives from RCF	707,750
Western Equatoria	Amadi State – Mundri paid various items from RCF	4,313,500
Western Equatoria	State Assembly – paid incentives from RCF	1,023,600
Total		92,747,547

APPENDIX 15- MOFP MANAGEMENT LETTER RESPONSES

Addressee: *Under Secretary of Planning*

Date 17th /08/2021

Dear Sir

MANAGEMENT LETTER FOR THE AUDIT OF UTILIZATION OF FUNDS DISBURSED FOR SALARY ARREARS PAYMENTS TO THE CENTRAL GOVERNMENT AND THE STATES PERFORMED BY THE AUDITOR GENERAL

1.0 INTRODUCTION

*The National Audit Chamber has conducted a compliance audit of **NATIONAL MINISTRY OF FINANCE AND PLANNING** of **UTILIZATION OF FUNDS DISBURSED FOR SALARY ARREARS PAYMENTS TO THE CENTRAL GOVERNMENT AND THE STATES.***

The compliance audit has been conducted according to the National Audit Chamber mandate Section 7, 12 and 36 of the National Audit Chamber Act 2011 Section 52 of and the PFMA act, The compliance audit of the **NATIONAL MINISTRY OF FINANCE AND PLANNING** for period **financial year 2020/2021** was completed and the purpose of this letter is to bring to your attention the findings that were revealed during the audit.

2.0 Objective of the audit

The objective of the compliance audit, according to the International Standards of Supreme Audit Institutions, ISSAI 4000, is to provide the intended user(s) with information on whether the audited public entities follow parliamentary decisions, laws, legislative acts, policy, established codes and agreed upon terms. The standard requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable or limited assurance about whether the subject matter is or is not, in all material respects, in compliance with applicable authorities and criteria.

The audit findings which were identified during the course of the audit, are as follows.

TITLE UTILIZATION OF FUNDS DISBURSED FOR SALARY ARREARS PAYMENTS TO THE CENTRAL GOVERNMENT AND THE STATES

SUB – TITLE 1 The **RCF Loan fund USD 52,328,252** (or 15% of the quota) was not recorded as resource in the Budget Bill 2020/2021 as well as revenue classification in the Approved Chart of Accounts 2020/2021.

Criteria

PFMA Act.2011 Section **40; (a)** monies received in respect of a loan shall have been recorded as a resource in the budget of the financial year in which it is received

Observation

During our review the budget for financial year 2020/2021 and approved chart of account 2020/2021 for creation of RCF Loan budget code and found that the MOFP has not created the RCF Loan budget code in the approved budget and Chart of Accounts 2020/2021

IMPLICATION/RISK

The Ministry of Finance and Planning might not create the budget code for the loan and record as receipt in resource in the budget of the financial year in which it was received. Consequently, the RCF loan would not appear in record book budget of financial year 2020/2021.

RECOMMENDATION

The Ministry of Finance and Planning shall create the budget code for the loan and record as receipt in resources in the budget of the financial year 2021/2022.

MANAGEMENT COMMENT

Fy20/21 Budget approved before disbursement of RCF 1. However, after disbursement from IMF a special fund code (91101) was created for this fund. This is for easy tracking of payments against the fund

SUB – TITLE 2 The **RCF Loan fund USD 5,993,150.18 for foreign missions equivalent SSP 1,075,906,501.80**, were misstated in MOFP June and July 2020 Spread Sheet records of MOFP as expenditure.

Criteria

PFMA Act.2011 Section **40(b)**. Any expenditure financed by a loan shall have been recorded as expenditure in the budget of the Financial Year in which it is spent

Observation

During our reviewing the free balance (**IFMIS**) it was established that USD 5,993,150.18 were not appeared in spread sheet report provided for salaries of June and July 2020 these payments were misstated in MOFP June and July 2020 free balance report.

See Appendix 3

IMPLICATION/RISK

The Ministry of Finance and Planning might not reflect the expenditure in the budget of the Financial Year in which it was spent.

Consequently, the expenditures misstated would not appear in the budget book records of financial year 2021/2022.

RECOMMENDATION

The Ministry of Finance and Planning shall reflect the expenditure in the budget of the Financial Year in which it was spent.

MANAGEMENT COMMENT

After payment of two months' salary arrears of June and July 2020 and there was still balance the PFMRS Oversight Committee approved the payment of one month salary arrears(July,2020) for Foreign Mission that's why has not appeared in spread sheet report provided for salaries of June and July 2020.

SUB –TITLE 3 RCF SSP A/C BANK BALANCE SSP 706,990,431.32

Criteria:

Provisions (1) from the IMF Letter of intent

To ensure full transparency and accountability in the use of pandemic-related resources

Observation

During review of RAPID CREDIT FACILITY Financial Statements at the End of 31th December 2020 and Free balance RCF accounts revealed that there is a difference of amounts SSP 706,990,431.32 as bank balance at 31th March2021 between the amounts converted and transfers as indicated in table below.

RCF SSP A/C BANK BALANCE

S/NO	DESCRIPTION	Amount SSP	Cumulative SSP
1	first & second transfer from RCF USD A/C		7,944,251,457.50
2	central government (civil servants & organized forces) Transfers	4,637,413,094.00	
3	Total Transfers to States & Administrative Areas in Free balance	2,594,695,352.98	
4	31st March 2021 bank charges	5,152,579.20	7,237,261,026.18

5	Bank Balance	706,990,431.32
---	---------------------	-----------------------

See Appendix 1, 2 and 3

Implication/RISK

Due to the differences shown above, the figure of the bank balance SSP. 490,998,363.66 in the financial statement could be misstated. Consequently, the difference of SSP. 215,992,067.66 might be made for payment not intended to RCF salary arrears of June and July 2020.

RECOMMENDATION

Management of Ministry of Finance and Planning should prepare the Bank Reconciliation Statement for RCF Bank Accounts. Or management should reconcile the figure noted above and make necessary adjustment to the payments where necessary.

MANAGEMENT COMMENT

In our Financial Statement, Organised Forces & Civil Servants for June & July, 2020 amounting to SSP 4,832,323,372.64 and State transfers for June & July, 2020 amounting to SSP 2,615,777,142.00.

All totalling to SSP 7,453,253,093.84 including bank charges of SSP 5,152,579.20

In your records, Organised Forces & Civil Servants for June & July, 2020 amounting to SSP 4,637,413,094.00 and State transfers for June & July, 2020 amounting to SSP2, 594,695,352.98.

All totaling to SSP 7,237,261,026.18 including bank charges of SSP 5,152,579.20

And therefore, you may revisit your data source.

Secondly, the Financial Statement is as at end of December, 2020 and it was written in error ‘as at end of March, 2021’

SUB – TITLE 4 SSP 1,728,455,424.47 was not Utilize for Salary Arrears.

Criteria

PFMAA Section 48(a) stated that utilization and performance of each loan including the progress of achievement of intended targets and objectives

Observation

During our review of free balance for June and July salary arrears 2020 revealed that SSP 1,728,455,424.47 was paid for conditional operations for states, administrative areas and counties as indicated in the table below. This is contrary to criteria above.

S/NO	TRANSFER TYPE BY FINANCE & PLANNING	Cumulative SSP
1	Conditional Salaries	866,239,928.51
2	Conditional Operation	1,728,455,424.47
3	Total Transfers to States & Admin Areas	2,594,695,352.98

See appendix 2

RISK

The MOFEP might not have disbursed funds to the respective States and Administrative Areas and utilized it for salary arrears for June and July 2020. Consequently, RCF funds transferred to States and Administrative Areas were not meant for June and July 2020 Salary Arrears

RECOMMENDATION

The RCF loan fund should have been utilized for June and July 2020 salary arrears.

MANAGEMENT COMMENT

If you look at the budget; **Chapter 23** is about Transfers & Grants to State Governments which is done monthly if resources are available.

The monthly transfer to State Government usually constitutes the following and transferred at once at the end of each month as categorized in our **Chart of Accounts** below:

- i. Transfers conditional salaries
- ii. Transfers operating
- iii. Transfers capital
- iv. Transfers to service delivery Units

For more details, please refer to **Chapter 23** of our Chart of Account (CoA). So, based on the nature of the transfers to State governments, salaries could not be transferred in isolation to States without including the three (3) categories.

SUB – TITLE 5 Payment of MOFP March 2021 Salary.

Criteria

PFMAA Section 48(a) stated that utilization and performance of each loan including the progress of achievement of intended targets and objectives

Observation

During the audit of RCF Fund for salary arrears of June and July 2020, it was established that from reviewing of the free balance there is **SSP 5,221,227.00** was paid for the MOFP March salary 2021.

IMPLICATION

Payment of March 2021 salary was not prioritized for RCF Fund (June and July salary arrears)

RECOMMENDATION

The Management of MOFP should comply with the PFMAA Section 48(a)

SEE APPENDIX 1

MANAGEMENT COMMENT

This payment was wrongly described in Free -Balance during the posting process.

SUB-TITLE 6 Payment of SSP 1,561,627 to Directorate of Taxation**Criteria**

Civil Service Act 2011. Section 45(2) stipulated that No civil servant, official or employee shall receive any additional remuneration to his or her basic civil service salary from any other organization, or other than as authorized by this Act.

Observation

During our review of MOFP Pay roll for July 2020 salary arrears established that **SSP 1,561,627** was paid for directorate of taxation in total amount paid to MOFP July salary amounting to **SSP 5,101,668**. However, the directorate of taxation being under the National Revenue Authority (NRA) was no longer part of directorate of MOFP and the Payment Salary Claim Form possessed no stamp for NRA and pay sheet missing.

SEE APPENDIX 1, 6 and 7

Implication/Risk

Fictitious payments could result as the internal control checks such as the segregation of the preparation, checking, approval and payment of salaries were flouted. Consequently, there is loss of public funds.

Recommendation

The Management should ensure compliance with public service procedures.

MANAGEMENT COMMENT

The National Revenue Authority recruitment process is not yet complete up-to-date as a result, directorate of Taxation staff payroll is within the payroll of Ministry of Finance and planning. However, their payroll would be part of National Revenue Authority once recruitment process is completed.

SUB – TITLE 7 **SSP 75,903.00 Unpaid Salary**

Criteria

Best Practice of Financial and Accounting Procedures which requires the cashier and the accountant to properly account for the un-paid salaries

Observation

Review of MOFP Pay sheets showed that a total of **SSP 75,903.00** was to be paid in cash to various staff but there was no evidence of signatures confirming that the beneficiaries received the money. There was also no evidence (receivable order-financial form 39) that the unpaid salaries was remitted to the chest. ***See Appendix 8***

AS a consequence, there is likelihood that the unpaid salaries were not used or diverted for other activities or misappropriated.

RISK

This is contrary to the criteria. This could be as a result of absence or non-existence of some staff. Consequently, there is likelihood that the unpaid salaries were not used or diverted for other activities or misappropriated.

RECOMMENDATION

Management is advised to remove the staff who do not exist from the pay sheet. And also it is advised that on completion of payments of salaries before the end of the day, the cashier should prepare a list of the names of employees who have not received their salaries; the accountant shall check that list against the names and prepares a credit advice for the total sum and credits it to the treasury before the end of the day under the deposits accounts(unpaid salaries) and the accountant should record the number and date of the credit advice against the names of employees who are not in receipt of their salaries.

MANAGEMENT COMMENT

The Unpaid Salary amounting to SSP 75,903.00 was remitted to chest as a lump sum based on the Receivable Order No. 285766, 285768, 285770, 285772 & 285781 in the chest.

SUB – TITLE 8 **Payment of Bank Charges**

Criteria:

Provisions (1) from the IMF Letter of intent

To ensure full transparency and accountability in the use of pandemic-related resources

Observation:

During our review of the RCF SSP A/C financial statement at the end of 31st Dec. 2020 revealed that MOFP incurring bank charges in relation to payment and transfers of salaries from RCF bank Account amounting **SSP. 5,152,579.20.**

Implication:

In absence of adequate verifiable supporting documents for expenditure incurred. It is difficult to establish whether the bank charges were incurred appropriately and for the intended purposes.

Recommendation:

Management advised to review the bank charges interest for each transaction.

MANAGEMENT COMMENT

The Bank (BSS) usually deducts two types of bank charges (cable charge for external transfers and normal charges) in all transactions. However, the issue of bank charges is to be discussed between Central Bank and Ministry of Finance and planning.

SUB-TITTLE 9 The **RCF Loan fund SSP 55,010,102. Paid for SSNRA from RCF fund and** were not in MOFP June and July 2020 Spread Sheet records of MOFP as expenditure.

Criteria

Civil Service Act 2011.Section 45(2) stipulated that No civil servant, official or employee shall receive any additional remuneration to his or her basic civil service salary from any other organization, or other than as authorized by this Act.

Observation

During our reviewing the free balance (**IFMIS**) it was established that **SSP 55,010,102** were not appeared in spread sheet report provided for salaries of June and July 2020. The MOFP said that they paid for National Revenue Authority (NRA) on their local collections. However, free balance reveal that **SSP 55,010,102 was paid from RCF Accounts.**

See Appendix 5

IMPLICATION/RISK

The Ministry of Finance and Planning might not reflect the expenditure in the budget of the Financial Year in which it was spent.
Consequently, these could result into duplication of payments to NRA.

RECOMMENDATION

The Ministry of Finance and Planning shall adhere to the criteria above.

MANAGEMENT COMMENT

This payment is for directorate of Customs transferred to National Revenue Authority. In our cash requirement for salaries, customs is classified under organised forces and therefore is eligible expenses against RCF.

3.0 CONCLUSION

I would like to express my appreciation for the courtesy extended and assistance rendered by the staff of the **NATIONAL MINISTRY OF FINANCE AND PLANNING** to the audit team during the audit.

I would appreciate if your comments on these findings could be submitted within **14** days after the date of this report.

Yours faithfully

**For: Tombe Logale Lukak
Auditor-General**