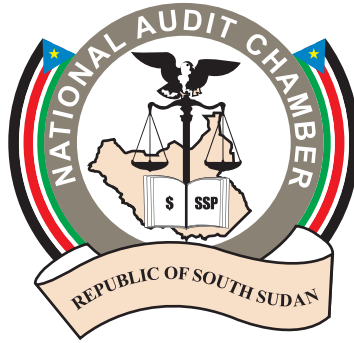


**THE REPUBLIC OF SOUTH SUDAN
NATIONAL AUDIT CHAMBER**



**CONSOLIDATED COMPLIANCE AUDIT REPORT
OF THE AUDITOR GENERAL**

ON

THE SECOND TRANCHE OF THE RAPID CREDIT FACILITY

FROM THE INTERNATIONAL MONETARY FUND

DISBURSED FOR PAYMENTS OF GOVERNMENT BUDGET SUPPORT'

(SALARIES FOR THE EIGHT MONTHS) AND BALANCE OF PAYMENTS FINANCING

FROM

AUGUST 2020 TO JUNE 2021

September 2022

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List of acronyms

BoSS	Bank of South Sudan
GRSS	Government of Republic of South Sudan
IMF	International Monetary Fund
IFMS	International Financial Management System or Fee-Balance
MoFP	Ministry of Finance and Planning
MOU	Memorandum of Understanding
NRA	National Revenue Authority
NAC	National Audit Chamber
PIT	Personal Income Tax
PFM	Public Finance Management
RCF	Rapid Credit Facility
SSP	South Sudan Pound
SSPF	South Sudan Pension Fund
USD	United States Dollar

CENTRAL, STATES AND ADMINISTRATIVE AREAS GOVERNMENTS

1. Introduction

(a) In March 2021, the Government of South Sudan received One Hundred Seventy-Four Million United States Dollars (USD 173, 935, 915.22) from the International Monetary Fund (IMF) Rapid Credit Facility (RCF). This was the second of two payments, hence the acronym RCF2.

(b) The proceeds of the disbursement were allocated as follows:

- Budget Support (Ministry of Finance and Planning): USD 87,302,089
- Balance of Payment Support (Bank of South Sudan): USD 86,633,826

(c) The Ministry of Finance and Planning applied its allocation as follows:

- Central Government Agencies and the Organized Forces: USD 47, 838,794.
- States and Administrative Areas: USD 25,349,214.32

As part of the requirements of the letter of intent, the National Audit Chamber (NAC) was required to undertake a compliance audit of the utilization of this second 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 RCF2 funds disbursed for both budget support and balance of payment financing 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, MOU between MOFP and BOSS and the approved budget allocations to Central Government, Organized Forces, States and Administrative Areas.

1.1 Audit Objectives.

The overall objective was to assess the utilization of the IMF RFC 2 loan for budget support (8 months' salary arrears) and balance of payments financing, considering the whole process from payment by IMF to the Bank of South Sudan to payment of budget support (8 months' salary arrears) and balance of payments financing in the Central Government.

This report covers the audit of the Central Government civil institutions, Organized Forces, States and Administrative Areas. The audit involved a follow up of funds disbursed from the MoFP to the various spending agencies of Central Government, Organized Forces, States and Administrative Areas. An exit meeting was held with the MoFP, which provided responses to some of the findings.

Table 1: MOFP Budget & Outturn/Performance

Description	Appendix	USD	SSP
Budget Support (a)	9	87,302,089	32,768,839,106
Balance of payment (b)		86,633,826	36,299,243,602
Total RCF2 Loan (a+b)		173,935,915	69,068,082,708
Outturn- Balance of payment (c)		(86,633,826)	(36,299,243,602)
Outturn- Budget Support (d)		(72,205,456)	(27,102,318,030)
Total amount to be accounted for (c-d)		15,096,633	5,666,521,076
Cash balance on RCF SSP Account (e)	10	(12,403,316)	(4,655,584,562)
Net amount unaccounted for (c-d-e)		2,693,317	1,010,936,514

Table 2: MOFP Records in Local Currency

Description	MoFP Books	BOSS Credit Advice	Variance
MoFP Remittances to:	SSP	SSP	SSP
Central Government & Organized Forces (a)	17,956,291,355.00	17,624,520,832.33	331,770,522.67
States Governments & Three Admin. Areas (b)	9,514,827,596.04	9,477,797,197.00	37,030,399.04
Total Salaries (Records, payments & Variance) (a+b)	27,471,118,951.04	27,102,318,029.33	368,800,921.71
Total Proceeds from BOSS (c)	32,768,839,106.00		
Unrecorded amounts at MOFP (c-(a+b))	5,297,720,154.96		
MOFP Books Converted to USD	MoFP Books	BOSS Credit Advice	Variance
	USD	USD	USD
Budget support to MOFP (d)	87,302,089.00		
Central Government & Organized Forces (e)	47,838,794.07	46,954,897.65	883,896.42
States Governments & Three Admin. Areas (f)	25,349,214.32	25,250,558.67	98,655.65
Total Salaries (Records, payment & Variance) (e+f)	73,188,008.39	72,205,456.32	982,552.08
Unrecorded amounts at MOFP (d-(e+f))	14,114,080.61		

**SSP converted to USD at the auction average rate of SSP 375.35*

1.2 Summary of Audit Findings

A) Central Government and Organized Forces

- i. As in RCF1, there is an inexplicable but consistent discrepancy between MoFP transfers to the Central Government and the Organized Forces and actual receipts as per BOSS records. In the case of National Government institutions, this shortage was **SSP 331,770,523.67 or USD 883,796.08** as shown in **Table 2 and Appendix 2**.
- ii. Unrecorded Payments amounted to **SSP 5,297,770,154.96 or USD 14,114,080.60** being the difference between proceeds of auctions by the BOSS and books of the MoFP as shown in **Table 2**
- iii. Net amount not accounted for by the MOFP amounted to **SSP 1,010,936,514 (USD 2,691,317)** as shown in **Table 1**.
- iv. Unremitted unpaid salaries by various institutions to the MoFP amounting to **SSP 71,666,188.70 (US\$ 189,600.91)** as shown in **Appendix 2**.
- v. Ineligible payments amounting to **SSP 221,754,557 (US\$ 590,798.32)** as in **Appendix 2**.
- vi. Failure by various institutions to provide pay-sheets for salaries amounting to **SSP 17,002,863 (US\$ 45,299.01)** as shown in **Appendix 2**.
- vii. Differences in expected valuation of both Personal Income Tax (PIT) and Employee and Employer contribution and the recognized amounts by the MoFP amounting to **SSP 1,898,718,066.24 (US\$ 5,058,526.88)** as shown in **Table 4**.
- viii. Weak Internal Controls on salary payment procedures is cross cutting in Central Government Agencies and Organized Forces.

B) States and Administrative Areas

- i. Again, there was a discrepancy between MoFP transfers to the ten States and three Administrative Areas and actual receipts as per the bank statements. In the case of States and Administrative Areas, this shortage was **SSP 37,030,398.74 or USD 98,655.65** as shown in **Table 2 and Appendix 3**.
- ii. Failure by various States Agencies to remit unpaid salaries to the Ministry of Finance amounting to **SSP 634,553,741 (US\$ 1,690,577.60)** as shown in **Appendix 4**.
- iii. Several institutions did not avail pay-sheets amounting to **SSP 1,312,329,389.42 (US\$ 3,496,306.97)** as shown in **Appendix 4**.
- iv. The Directorate of Wildlife in Northern Bhar Ghazal State did not avail pay sheets for the eight months amounting to **SSP 27,969,075**.
- v. Irregular salary payments amounting to **SSP 13,946,895 (US\$ 37,157.31)** were made to relatives of deceased State Organized Forces staff. This raises the question on the mandate

of the Veterans Affairs Directorate in the Ministry of Defense & Veterans Affairs. See **Appendix 5**

- vi. Double payments of salary arrears amounting to **SSP 309,600 (US\$ 824.83)**. **Appendix 6**
- vii. Some institutions did not make or remit statutory deductions amounting to **SSP 19,925,334 (US\$ 53,085.06)** as shown in **Appendix 7**.
- viii. Lack of Nominal rolls to establish the exact number of employees in Eastern Equatoria amounting to **SSP 639,514,364.58 (US\$ 1,703,781.44)** as shown in **Table 5**.

C) Value of Non-Compliance transactions

- Non-compliance in the Central Government and Organized Forces is **33%** of its total disbursement.
- Non-compliance in the States and Administrative Areas is **21%** of its total disbursement.
- Aggregate non-compliance in the Central, States and Administrative Areas is **29%** of total disbursement as shown in table 3.

Table 3: Overall Value of Non-Compliance Transactions

Central Govt & Organized Forces Total	Amount in SSP	Amount in US\$	Deviation Rate
Discrepancies between MoFP and BOSS (Appendix 1)	331,770,522.67	883,896.42	
Ineligible expenditures (Appendix 2)	221,754,557.00	590,798.32	
Non return of unpaid salaries (Appendix 2)	71,166,188.70	189,600.91	
No Pay-sheets (Appendix 2)	17,002,863.00	45,299.01	
Unrecorded (Appendix 2)	5,297,770,154.96	14,114,080.60	
Sub Total	5,939,464,286.33	15,823,675.26	33%
States & Administrative Areas Total			
Discrepancies between MoFP and BOSS (Appendix 3)	37,030,398.74	98,655.65	
Unpaid salaries in states & Admin. Areas (Appendix 4)	634,553,741	1,690,577.60	
Pay-sheets not provided	1,312,329,389.42	3,496,306.97	
Irregular salary payment	13,946,895	37,157.31	
Statutory deductions not remitted	19,925,334	53,085.06	
Sub Total	2,017,785,758.16	5,35,782.59	21%
Grand Total	7,957,250,044.49	21,199,457.85	29%

**SSP converted to USD at the auction average rate of SSP 375.35*

D) Balance of Payments Assistance

The Bank of South Sudan auctioned **USD 86,633,826.22** and realized **SSP 36,299,243,601.68** for stabilization of the exchange rate and market prices.

The audit of these transactions will be conducted by the External Auditor of the BOSS for financial year 2022. Refer to **Appendix 8**.

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 2 of **SSP 17,956,291,355.00 (US\$ 47,838,794.07)** remitted to the Central Government and Organized Forces and **SSP 9,514,827,596.04 (US\$ 25,349,214.32)** remitted to the States and Administrative areas was in compliance, in all material aspects with the applicable criteria.

Basis of Qualified Conclusion

A) Central Governments and Organized Forces

- Discrepancy between MoFP transfers to the Central Government and the Organized Forces and actual receipts as per BOSS records of **SSP 331,770,522.67 (US\$ 883,800.40)** as shown in **Appendix 1**.
- Ineligible payments amounting to **SSP 221,754,557 (US\$ 590,798.32)** as in **Appendix 2**.
- Pay sheets not availed to auditors for payments amounting to **SSP 17,002,863 (US\$ 37,393.58)** as shown in **Appendix 2**.
- Unpaid salaries not remitted back to the MioFP is **SSP 71,666,188.70 (US\$ 189,600.91)** as shown in **Appendix 2**.
- Weak Internal Controls on salary payment procedures resulted in unrecorded amounts of **SSP 5,297,770,154.96 (US\$ 14,114,080.60)** See **Table 2**.


B) States and Administrative Areas

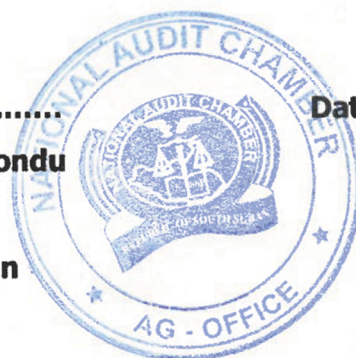
- Discrepancy between MoFP transfers to the ten States and three Administrative Areas and actual receipts as per the bank statements of **SSP 37,030,398.74 (US\$ 98,655.65)** as shown in **Appendix 3**.
- Failure to remit unpaid salaries to the MoFP amounting to **SSP 634,553,741 (US\$ 1,690,577.60)** as shown in **Appendix 4**.
- Pay sheets not availed to auditors amounting to **SSP 1,312,329,389.42 (US\$ 3,496,306.97)** as shown in **Appendix 4**.

- Payment of **SSP 13,946,895.00 (US\$ 37,157)** to deceased staff relatives under the Organized Forces as shown in **Appendix 5**.
- Non-deduction and remittance of statutory deductions amounting to **SSP 19,925,334 (US\$ 53,084)** as shown in **Appendix 7**.

1.4 Recommendations

- The Ministry of Finance should strengthen the internal control and audit functions within the various Central Government, Organized Forces, States and Administrative Areas to ensure adequate follow up and reporting on distributed funds to the various spending agencies.
- The Ministry of Finance should enable systems to pay Public Sector Employees' emoluments through the Commercial Banks.
- The Ministry of Public service should ensure clear and adequate policies and controls in place to manage salary payments.
- The Ministry of Public service should initiate a process to issue biometrics identifications to all Public Sector Employees.
- The Ministry of Public service should put systems in place to digitize the Public Payroll to enable more efficient management of payroll issues.
- The Governors should use their authority institutions and instruments of governance to hold individual officials and illicit beneficiaries of financial malpractices, fraud and misappropriations to account.
- It is difficult not to warn that the current system is easily prone to and is being abused.

Signed: 
Amb. Steven Kiliona Wondu
Auditor General
Republic of South Sudan



Date: 12/9/2022.....

DETAILED COMPLIANCE AUDIT REPORT ON THE GOVERNMENT OF SOUTH SUDAN

2. Background Information of the Subject Matter of Audit

The Government of the Republic of South Sudan (GRSS) applied for and negotiated emergency financing under the Rapid Credit Facility (RCF) with the IMF. A first tranche of funds 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 GRSS then applied for a second round of emergency financing under the Rapid Credit Facility of US\$ 174.2 million (RCF2), which was approved by the IMF Executive Board in March 2021. This second disbursement was intended to help finance South Sudan's in Budget Support (MOFP) and Balance of Payments needs and provide critical fiscal space to maintain poverty reducing and growth enhancing spending.

A sharp decline in international oil prices triggered by the Corona Virus pandemic and devastating floods eroded economic gains of the peace process. As a result, the economy was slated to contract by 4.2 percent in FY 20/21. The economic downturn widened the fiscal and balance of payments deficits, opening large financing gaps in the absence of concessional financing.

The Ministry of Finance decided that the second round of funds (RCF2) would be specifically used for paying 8 months' salary areas and balance of payment financing that were accumulated as a result of covid 19.

2.1 Subject Matter and Scope of Audit

The Subject matter is the utilization of funds received from the IMF for financing budget support (eight months' salary arrears) in the period between August 2020 to June 2021 to the civil servants and organized forces of the Government of South Sudan and the balance of payments. The GRSS applied for a second round of emergency financing under the Rapid Credit Facility (RCF) with the IMF. US\$ 174.2 million was approved by the IMF Executive Board in March 2021. The purpose of the RCF 2 was to support the government's response to the negative socio-economic impact of the COVID 19 pandemic in the country. .

2.2 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.

2.3 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 Planning and Spending Agencies

2.4 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 diversion and that the RCF 2 funds may not be used in payment of the budget support (Eight months' salary arrears) and balance of payment financing 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 2) are properly observed.
- iii. Release of new phase of Rapid Credit Facility (RCF) depends on the first RCF 2 audit report of the Auditor General.
- iv. Risks of non-compliance to the subject matter identified are properly addressed.

2.5 Audit Scope

The audit will cover the budget support (eight (8) months' salaries arrears) and balance of payments financing in the period between August 2020 to June 2021 and will cover the Central Government, States and Administrative areas.

3. Audit Objectives

The overall objective was to assess the utilization of the IMF RCF 2 loan for the budget support (eight (8) months' salaries arrears) and balance of payments financing considering the whole process from payment by the IMF to the BOSS, to the payment of salaries to employees in the Central Government and Organized Forces. The following sub-objectives were set for the audit:

- i. To confirm whether the allocated funds by the MoFP have been received by each entity.

- ii. To confirm whether the Central Government, Organized Forces, States and Administrative Areas institutions are functional and in existence during the period relating to budget support and balance of payment financing.
- iii. To confirm whether Central Government, Organized Forces, States and Administrative Areas 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 legitimate 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, do the Central Government, Organized Forces, States and Administrative Areas have clear controls to ensure accuracy in the amounts paid out.

4. 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 organization 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.
- Approved budgets and allocations to MDAs and States.
- MOU between the BOSS and MOFP.

5. FINDINGS IN THE CENTRAL GOVERNMENTS AND ORGANIZED FORCES

5.1 Variances in Transfers to the Central Government and Organized Forces

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 stipulates that the RCF 2 funds would be used for budget support (8 months August 2020- June 2021 salary arrears) by the Central, States and Administrative Areas Governments.

It was however noted that whereas **SSP 17,956,291,355.00 (US\$ 47,838,794.07)** was allocated for transfers to the Central Governments and Organized Forces, the credit advice/bank statements indicated that an amount of **SSP 17,624,520,832.33 (US\$ 46,954,897.65)** was transferred. This resulted into a variance of **SSP 331,770,523.67(US\$ 883,896.08)** to the Central Government and Organized Forces as shown in **Appendix 1**.

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

5.2 Failure by various institutions to remit unpaid salaries to the MoFP

The IMF letter of intent, and the approved budgets and allocations to Ministries, Department and Agencies (MDAs) and States and Administrative Areas stipulates that the RCF2 funds would be used for budget support (8 months' August- June 2021 salary arrears) at the National and State levels. Best practice would stipulate that unutilized funds should be remitted back to the Ministry of Finance to be reallocated for other purposes.

It was however observed that various spending agencies in the Central Government and Organized Forces did not remit unpaid salaries amounting to **SSP 71,666,188.70 (US\$ 189,600.91)** back to the Ministry of Finance as detailed in **Appendix 2**.

This implies weaknesses in the financial management system, which is attributed to lack of effective Internal Audit units to follow up payment procedures and implementation of accounting policies and regulations. These unpaid amounts could be and were most probably diverted for other purposes or lost.

5.3 Diversion of RCF 2 funds

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, and the approved budgets and allocations to MDAs and States stipulate that the RCF 2 funds would be used for budget support (8 months' (August 2020- June 2021 salary arrears) at the National and State levels.

Contrary to the above requirements, it was observed that RCF2 funds amounting to **SSP 221,754,557 (US\$ 590,798.32)** transferred to the Central Government and Organized Forces to cater for salary arrears were diverted to other activities such as financing operational costs and purchasing equipment within the Central Government and Organized Forces as shown in **Appendix 2**. This diversion of funds implies that some Central Government and Organized Forces staff did not receive their salary arrears as allocated. This is due to weaknesses in the internal control systems in ensuring that funds are utilized for the allocated purpose.

5.4 Failure to provide pay sheets.

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 and other relevant supporting documents relating to salary arrears payments amounting to **SSP 17,002,863 (US\$ 45,299.01)** were not provided for audit. This could be due to diversion of funds for other purposes. In the circumstances, it is difficult to ascertain whether these funds were paid out to the rightful beneficiaries. **Appendix 2**

5.5 Weak Internal Control systems on salary payments

Sections 11(1) and (7) of the Public Financial Management and Accountability Act, 2011 require each Spending Agency or Public Enterprise or Public Corporation to 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 Central Government and Organized Forces spending agencies have weak internal control systems regarding salary payments. There is also lack of or weak internal audit units to monitor and verify payment procedures.

5.6 Personal Income Tax and pension contribution discrepancies

Section 54 states that the object of the Income Tax for a resident individual Taxpayer shall be all taxable income from South Sudan source income and foreign source income.

Section 9(1) of Pension Act 2012 states that the fund shall have the right to collect contributions, either directly or through the MoFP, in accordance with the provisions of this Act., any Pension Scheme and other applicable laws.

The audit however noted that whereas the MoFP requested for **SSP 4,355,920,305.86** as Pension and PIT deductions to be transferred to the South Sudan Pension Fund (SSPF) and the National Revenue Authority (NRA), a review of the MoFP Free-Balance accounting system showed an amount of **SSP 2,457,202,239.62** relating to Pension and PIT. This implies a difference of **SSP 1,898,718,066.24 (US\$ 5,058,526.88)** that was not remitted as shown in **tables 4.1 to 4.3**. This implies that funds budgeted for PIT and Pension payments could have been diverted for other purposes.

Table 4.1: Pension Contribution and PIT Deductions

Months	Total Requested	Employee Pension deduction	Employer Pension deduction	P.I.T Deduction
August	361,908,783.20	59,344,995.20	125,903,326.00	176,660,462.00
October	556,873,067.62	236,033,584.49	152,384,537.39	168,454,945.73
November	513,927,790.96	234,383,021.15	153,215,547.57	126,329,222.23
December	720,332,938.41	238,387,809.75	153,207,242.37	328,737,886.28
March	540,553,287.18	232,044,919.60	135,358,028.49	173,150,339.08
April	547,790,141.89	233,184,388.85	140,891,610.10	173,714,142.93
May	564,562,546.56	233,388,352.20	156,718,476.22	174,455,718.13
June	549,971,750.07	230,522,902.50	145,852,841.94	173,596,005.62
Total Deductions	4,355,920,305.86	1,697,289,973.77	1,163,531,610.08	1,495,098,722.01

Table 4.2: Expected remittances to recipient agencies

	Recipient agency	Amount (SSP)
Personal Income Tax (PIT)	NRA	1,495,098,722.01
Pension	SSPF	2,860,821,583.85
Total		4,355,920,305.86

Table 4.3 Pension and PIT versus MoFP Free balance statement

Description	Amount in SSP
Total Pension and PIT requested	4,355,920,305.86
Amount in Free balance statement	2,457,202,239.62
Variance (Deficit)	1,898,718,066.24

**SSP converted to USD at the auction average rate of SSP 375.35*

6 FINDINGS IN THE STATES AND ADMINISTRATIVE AREAS

6.1 Variances in transfers to the States and Administrative Areas

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 stipulates that the RCF 2 funds would be used for budget support (8 months August 2020- June 2021 salary arrears) at the Central Government, Organized Forces, States and Administrative Areas.

It was however noted that whereas **SSP 9,514,827,596.04 (US\$ 25,349,214.32)** was allocated for transfers to the States and Administrative Areas, the credit advice/bank statements indicated that an amount of **SSP 9,477,797,197 (US\$ 25,250,558.67)** was transferred. This resulted into a variance of **SSP 37,030,398.74 (US\$ 98,655.65)** owing to the States and Administrative Areas as shown in **Appendix 3**

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

6.2 Failure to remit unpaid salaries

The IMF letter of intent, and the approved budgets and allocations to Ministries, Department and Agencies MDAs and States stipulate that the RCF2 funds would be used for the Budget Support (Salary arrears of 8 months' August- June 2021) and balance of payment financing at the National and State levels. Best practice would stipulate that unutilized fund should be remitted back to the Ministry of Finance to be reallocated for other purposes.

It was however observed that various spending agencies in the States and Administrative Areas did not remit unpaid salaries amounting to **SSP 634,553,741 (US\$ 1,690,577.60)** back to the Ministry of Finance as detailed in **Appendix 4**.

This implies weaknesses in the financial management system, which is attributed to lack of or weak Internal Audit Units to follow up payment procedures and implementation of accounting policies and regulations. These unpaid amounts could be and were most probably diverted for other purposes.

6.3 Failure to provide pay sheets

The letter ref RSS/MoF&P/J/M/3/4/22 dated 4th March 2022 from the Ministry of Finance and Planning to all State Governors and Administrators of Administrative Areas stipulated that all States and Administrative Areas should provide signed payrolls and other documents for RCF2 utilization to enable the auditors undertake the audit.

It was however observed that pay sheets and other relevant supporting documents relating to salary arrears payments amounting to **SSP 1,312,329,389.42 (US\$ 3,496,306.97)** were not provided for audit as shown in **Appendix 4**.

In Northern Bahr El Ghazal Directorate of Wildlife, no paysheets were provided for all 8 months because the new management could not explain how and if salaries amounting to **SSP 27,969,075** were paid to beneficiaries. In the Northern Bahr El Ghazal State {NBGS} Aweil Health Science Institute, pay Sheets for May and June 2021 were not provided because the Former Principal withdrew salary funds amounting to **SSP 450,000** without accountability.

In the circumstances, it is difficult to ascertain whether the beneficiaries received their salary arrears.

6.4 Irregular payment of salaries to deceased staff relatives under the Organized 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 13,946,895 (US\$ 37,157.31)** as shown in **Appendix 5**.

These payments were made on the basis that gratuities of the deceased have not been paid out to date.

This raises the question on the mandate of the Veterans Affairs Directorate in the Ministry of Defense & Veterans Affairs.

These irregular payments inflate the salary budget, which strains the limited Government resources.

6.5 Double payments of salary arrears

The IMF letter of intent, and the approved budgets and allocations to MDAs and States stipulate that the RCF 2 funds would be used for the Budget Support (Salary arrears of 8 months' August-June 2021) and balance of payment financing at the National and State levels.

It was however noted that staff in the State Coordination Office of Western Equatoria State in Juba received double payments of salary arrears amounting to **SSP 309,600 (US\$ 824.83)** which were paid in Juba as shown in **Appendix 6**. The States argued during the audit of RCF2 that staff seconded to Juba Coordination Office were entitled to Juba Allowance.

6.6 Non deduction and remittance of statutory deductions

Personal Income Taxes and Pensions of employees and employer's contributions of the State Organized Forces are deducted by the States Ministries of Finance are expected to be remitted to the States Revenue Authorities.

It was however noted that personal income tax amounting to **SSP 19,925,334 (US\$ 53,085.06)** for the Organized Forces in Warrap State was not deducted and the employees received Gross Salaries. **Appendix 7**.

This could be due to weak controls in ensuring deduction and remittance of statutory deductions. This could lead to penalties for non-deduction and remittance.

6.7 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 Eastern Equatoria State as shown in **Table 5** 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 payments of **SSP 639,514,364.58 (US\$ 1,703,781.44)** made to Eastern Equatoria State and whether they were to the rightful beneficiaries.

Table 5: Nominal Rolls not provided

No	State	Amount SSP
1	Eastern Equatoria State MDAs	639,514,364.58

7 RECOMMENDATIONS

- i. The Ministry of Finance should strengthen the internal control and audit functions within the various Central Government, Organized Forces, States and Administrative Areas to ensure adequate follow up and reporting on distributed funds to the various spend agencies.
- ii. The Ministry of Finance should enable systems to pay Public Sector Employees' emoluments through the Commercial Banks.
- iii. The Ministry of Public service should ensure clear and adequate policies and controls in place to manage salary payments.
- iv. The Ministry of Public service should initiate a process to issue biometrics identifications to all Public Sector Employees.
- v. The Ministry of Public service should put systems in place to digitize the Public Payroll to enable more efficient management of payroll issues.
- vi. The Governors and Chief Administrators should use their authority institutions and instruments of governance to hold individual officials and illicit beneficiaries of financial malpractices, fraud and misappropriations to account.
- vii. Public Sector Financials Reforms and efforts to eradicate corruption are absolutely necessary.

APPENDICES

Appendix 1. Variances In Transfers to The Central Government and Organized Forces

Salaries for Civil Servants & Organized Forces			
Spending Agency			
Accountability Sectors	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1001 (MOF) Fin & Economic	32,498,325.00	37,720,644.00	-5,222,319.00
2001 (AUD) Audit Chamber	5,758,882.00	6,684,874.00	-925,992.00
2021 (STA) Nat Bureau Statistics	5,413,478.00	7,201,487.00	-1,788,009.00
2021 (ACC) Anti-Corruption Co	1,859,400.00	2,156,046.00	-296,646.00
2041 (FFM) FFAMC	650,096.00	743,150.00	-93,054.00
2031 (RDF) Rec & Dev Fund	1,167,039.00	1,336,456.00	-169,417.00
Sub Total Accountability Sector	47,347,220.00	55,842,657.00	-8,495,437.00
Economic Functions	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1031 (MTI) Trade Inv & Indus	14,857,244.00	17,253,097.00	-2,395,853.00
1101 (MED) Min Energy & Dams	1,734,887.00	2,391,188.00	-656,301.00
1061 (MWRI) Water Res & Irrigation	4,832,468.00	5,487,945.00	-655,477.00
1021 (MMI) Min of Mining	4,005,912.00	4,664,551.00	-658,639.00
1011 (MPO) Min of Petroleum	10,503,680.00	12,058,134.00	-1,554,454.00
1221 (MIC) Min Info	5,001,055.00	5,990,073.00	-989,018.00
1221 (MIC) Min Telecom	4,646,103.00	5,263,049.00	-616,946.00
1241 (MEA) Min East African Affairs	478,882.00	558,806.00	-79,924.00
2091 (UWC) Urban Water Corp	6,907,227.00	7,895,541.00	-988,314.00
2081 (EC) Electricity Cooperation	10,899,094.00	12,468,098.00	-1,569,004.00
1051 (MOI) Min Investment	2,290,511.00	2,658,027.00	-367,516.00
2291 (STD) Nat Bureau of Standard	12,093,079.00	14,013,701.00	-1,920,622.00
2331 (PGC) Petroleum and Gas	2,348,191.00	1,993,478.00	354,713.00
2381 (SSBC) S.Sudan Broadcasting	7,718,302.00	8,842,370.00	-1,124,068.00
2401 (AIC) Access to Info Comm	981,710.00	365,254.00	616,456.00
Sub Total Economic Sector	89,298,345.00	101,903,312.00	-12,604,967.00
Education Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1401 (MED) Gen Education &	23,203,032.00	25,238,583.00	-2,035,551.00
2421 (NEC) National Examination C	3,003,048.00		3,003,048.00
1411 (MHE) Bahr El Ghazal Univer	1,234,134,040.00	1,454,168,846.00	-220,034,806.00
1411 (MHE) Dr. John G. University	1,009,657,848.00	1,201,625,424.00	-191,967,576.00
1411 (MHE) Higher Educ, Sci &	86,109,919.00	24,844,660.00	61,265,259.00
1411 (MHE) Higher Educ, Sci &	170,592,513.00	251,744,126.00	-81,151,613.00
1411 (MHE) Juba University	2,270,196,924.00	2,971,373,890.00	-701,176,966.00
1411 (MHE) Northern B-Ghazal Univ	11,953,616.00	13,657,360.00	-1,703,744.00

1411 (MHE) Rumbek University	796,098,452.00	948,851,052.00	-152,752,600.00
1411 (MHE) Torit University	10,935,679.00	15,006,375.00	-4,070,696.00
1411 (MHE) Upper Nile University	1,623,751,540.00	1,922,580,580.00	-298,829,040.00
1411 (MHE) Western Eq. University	12,340,328.00	14,510,279.00	-2,169,951.00
Sub Total Education Sector	7,251,976,939.00	8,843,601,175.00	-1,591,624,236.00
Health Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1091 (MOH) Health	64,112,093.00	71,560,643.00	-7,448,550.00
2251 (HAC) HIV/Aids	5,052,355.00	5,105,848.00	-53,493.00
2301 (DFC) Drug & Food	696,526.00	705,772.00	-9,246.00
Sub Total Health Sector	69,860,974.00	77,372,263.00	-7,511,289.00
Infrastructure Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1101 (MLH) Lands, Housing & Physical	3,826,204.00	4,374,341.00	-548,137.00
1381 (MTR) Min Transport	6,462,808.00	7,438,738.00	-975,930.00
1391 (MRB) Min Roads & Bridges	4,602,118.00	5,305,086.00	-702,968.00
2341 (CAA) Civil Aviation Authority	11,191,677.00	9,761,523.00	1,430,154.00
Sub Total Infrastructure Sector	26,082,807.00	26,879,688.00	-796,881.00
Natural Resources Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1271 MLF) Livestock & Fisheries	4,180,448.00	4,319,519.00	-139,071.00
1421 (MAF) Agriculture & Food	19,230,718.00	13,976,046.00	5,254,672.00
1441 (MEF) Environment & Forestry	7,171,998.00	5,709,680.00	1,462,318.00
2271 (LA) Land Commission	490,783.00	559,370.00	-68,587.00
Sub Total Natural Resources Sector	31,073,947.00	24,564,615.00	6,509,332.00
Public Admin Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1171 (MOPA) Presidential Affairs	23,696,313.00	28,274,888.00	-4,578,575.00
1031 (MFA) Foreign Affairs &	17,660,828.00	20,806,594.00	-3,145,766.00
1291 (MCA) Cabinet Affairs	4,400,333.00	5,073,140.00	-672,807.00
1291 (MCA) Cabinet Affairs	2,940,222.00	2,147,490.00	792,732.00
1301 (MPA) Parliamentary Affairs	1,707,924.00	1,959,568.00	-251,644.00
1371 (MFE) Min Federal Affairs	2,491,179.00	2,885,672.00	-394,493.00
1431 (MPH) Public Service & HRD	7,006,513.00	8,223,982.00	-1,217,469.00
1261 (MOL) Labour	6,456,874.00	7,493,361.00	-1,036,487.00
2001 (NLA) Nat Legislative Assembly	13,536,080.00	15,239,282.00	-1,703,202.00
2091 (LGB) Local Government B	1,168,261.00	1,188,696.00	-20,435.00
2081 (CSC) Civil Service Commission	976,524.00		976,524.00
2101 (EJC) Employee Justice	600,051.00	407,390.00	192,661.00
2111 (PGC) Public Grievances	478,907.00	542,838.00	-63,931.00
2221 (COS) Council of States	6,057,307.00	6,995,144.00	-937,837.00
2371 (NCIA) Northern Corridor Implementation	463,540.00	544,149.00	-80,609.00

Sub Total P/Admin Sector	89,640,856.00	101,782,194.00	-12,141,338.00
Rule of Law Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1021 (MOJ) Justice & Constitution Affairs	4,916,539.00	5,405,561.00	-489,022.00
2121 (LRC) Law Review Commission	821,100.00	1,076,911.00	-255,811.00
2131 (CSS) Commun Sec & Small	975,576.00	1,118,466.00	-142,890.00
2141 (HRC) Human Rights Commission	2,048,436.00	2,272,604.00	-224,168.00
2321 (CRA) Comm for Refugee Affairs	3,668,764.00	4,276,013.20	-607,249.20
Sub Total Rule of Law Sector	12,430,415.00	14,149,555.20	-1,719,140.20
Security Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1281 (MIH) Ministry of Interior HQs	685,640.00	775,662.50	-90,022.50
1311 (FIR) Fire Brigade	159,097,063.00	142,864,553.00	16,232,510.00
1291 (POL) Police	975,542,573.58	1,088,288,894.00	-112,746,320.42
1281 NPI) Nationality and Passport	83,859,345.00	105,668,542.02	-21,809,197.02
1301 (PRN) Prisons	173,510,607.00	188,888,887.00	-15,378,280.00
1161 (MWT) Wildlife/Tourism	185,208,857.00	233,055,479.00	-47,846,622.00
1161 (MWT) Tourism		3,728,664.00	-3,728,664.00
1321 (MDV) Veterans Affairs	1,168,567,932.00	1,168,997,744.00	-429,812.00
1321 (MDV) Ministry of Defence	4,085,641,065.00	4,266,197,679.55	-180,556,614.55
1331 NSS) National Security ISB	629,484,555.60	598,045,449.35	31,439,106.25
1331 NSS) National Security GIB		98,022,622.20	-98,022,622.20
2461 (FIU) Financial Intelligence Unit (FIU)	2,062,209.20		2,062,209.20
2051 (SSRA) Customs Service	384,919,303.00	446,506,384.51	-61,587,081.51
2151 (DMA) De-Mining (Mine Action)	1,477,752.00	1,688,872.00	-211,120.00
2161 (DDR) Disarm Demob & Rei	3,901,123.00	4,428,270.00	-527,147.00
Sub Total Security Sector	7,853,958,025.38	8,347,157,703.13	-493,199,677.75
Hum/Social Welfare Sector	Free Balance/IFMS	Credit Advice/Bank Statement	Variance
1191 (MGC) Gender, Child &	4,074,071.00	4,708,775.00	-634,704.00
1201 (MPB) Min Peace Building	191,140.00		191,140.00
1371 (MCY) Youth & Sports	3,293,298.00	2,955,381.00	337,917.00
1281 (MHD) Hum Aff & Disaster	3,179,692.00	4,512,881.00	-1,333,189.00
1501 (MCM) Culture, Mseu. & Nat. Heri.	3,484,404.00	4,534,382.00	-1,049,978.00
2181 (RRC) Relief & Rehab	10,183,864.00	11,333,163.00	-1,149,299.00
2231 (PC) Peace Commission	1,777,223.00	2,007,569.00	-230,346.00
2241 (WWO) War Disabled, Wid	1,235,895.00	1,215,519.00	20,376.00
Sub Total Hum/Social Welfare Sector	27,419,587.00	31,267,670.00	-3,848,083.00
Grand Total	15,499,089,115.38	17,624,520,832.33	-2,125,431,716.95
Total Deduction (Pension & PIT)	2,457,202,239.62		
Gross Total	17,956,291,355.00	17,624,520,832.33	331,770,522.67

Appendix 2: Unremitted funds, diversions, and failure to provide pay sheet

NATIONAL AUDIT CHAMBER			
Salaries for Civil Servants & Organized Forces			
Spending Agency			
Accountability Sectors	Unpaid/unremitted	Diversion	Docs not provided
1001 (MOF) Fin & Economic	266,062.00	-	-
2021 (STA) Nat Bureau Statistics	38,027.00	-	-
2021 (ACC) Anti-Corruption Co	230,299.00	230,299.00	-
2041 (FFM) FFAMC	18,596.00	-	-
2031 (RDF) Rec & Dev Fund	-	146,310.00	292,086.00
Sub Total Accountability Sector	552,984.00	376,609.00	292,086.00
Economic Functions	Unpaid/unremitted	Diversion	Docs not provided
1061 (MWRI) Water Res & Irrigation	228,651.00	-	-
1021 (MMI) Min of Mining	465,201.00	-	-
1011 (MPO) Min of Petroleum	368,336.00	-	-
1221 (MIC) Min Info	1,404,179.00	-	-
1221 (MIC) Min Telecom	344,969.00	-	-
2081 (EC) Electricity Corporation	256,800.00	-	-
1051 (MOI) Min Investment	167,045.00	-	-
2291 (STD) Nat Bureau of Standard	1,668,037.00	-	-
2331 (PGC) Petroleum and Gas	50,066.00	-	-
2401 (AIC) Access to Info Comm	15,578.00	-	-
Sub Total Economic Sector	5,131,343.00	-	-
Education Sector	Unpaid/unremitted	Diversion	Docs not provided
1401 (MED) Gen Education &	-	-	8,723,853.00
2421 (NEC) National Examination C	-	-	3,003,048.00
1411 (MHE) Northern B-Ghazal Univ	14,185,344.00	-	-
Sub Total Education Sector	14,185,344.00	-	11,726,901.00
Health Sector	Unpaid/unremitted	Diversion	Docs not provided
2251 (HAC) HIV/Aids	892,867.00	-	-
2301 (DFC) Drug & Food	13,728.00	-	-
Sub Total Health Sector			-

	906,595.00	-	
Infrastructure Sector	Unpaid/unremitted	Diversion	Docs not provided
2341 (CAA) Civil Aviation Authority	-	-	1,402,740.00
Sub Total Infrastructure Sector	-	-	1,402,740.00
Natural Resources Sector	Unpaid/unremitted	Diversion	Docs not provided
1271 MLF) Livestock & Fisheries	-	-	1,051,943.00
1421 (MAF) Agriculture & Food	-	-	-
1441 (MEF) Environment & Forestry	197,028.00	-	797,067.00
2271 (LA) Land Commission	3,031.00	-	-
Sub Total Natural Resources Sector	200,059.00	-	1,849,010.00
Public Admin Sector	Unpaid/unremitted	Diversion	Docs not provided
1171 (MOPA) Presidential Affairs	-	-	-
1031 (MFA) Foreign Affairs &	778,315.00	-	-
1291 (MCA) Cabinet Affairs	-	180,880.00	-
1291 (MCA) Cabinet Affairs	-	-	-
1301 (MPA) Parliamentary Affairs	136,348.00	-	-
1371 (MFE) Min Federal Affairs	-	-	-
1431 (MPH) Public Service & HRD	95,485.00	-	-
1261 (MOL) Labour	131,260.00	-	-
2001 (NLA) Nat Legislative Assembly	237,391.00	-	-
2371 (NCIA) North Corridor Implementation	9,531.00	-	-
Sub Total P/Admin Sector	1,388,330.00	180,880.00	-
Rule of Law Sector	Unpaid/unremitted	Diversion	Docs not provided
1021 (MOJ) Justice & Constit	31,219.00	-	1,322,336.00
2121 (LRC) Law Review Commission	128,720.00	-	-
2131 (CSS) Commun Sec & Small	-	-	-
2141 (HRC) Human Rights Commission	278,217.00	-	-
2321 (CRA) Comm for Refugee Affairs	-	-	-
Sub Total Rule of Law Sector	438,156.00	-	1,322,336.00
Security Sector	Unpaid/unremitted	Diversion	Docs not provided
1291 (POL) Police			-

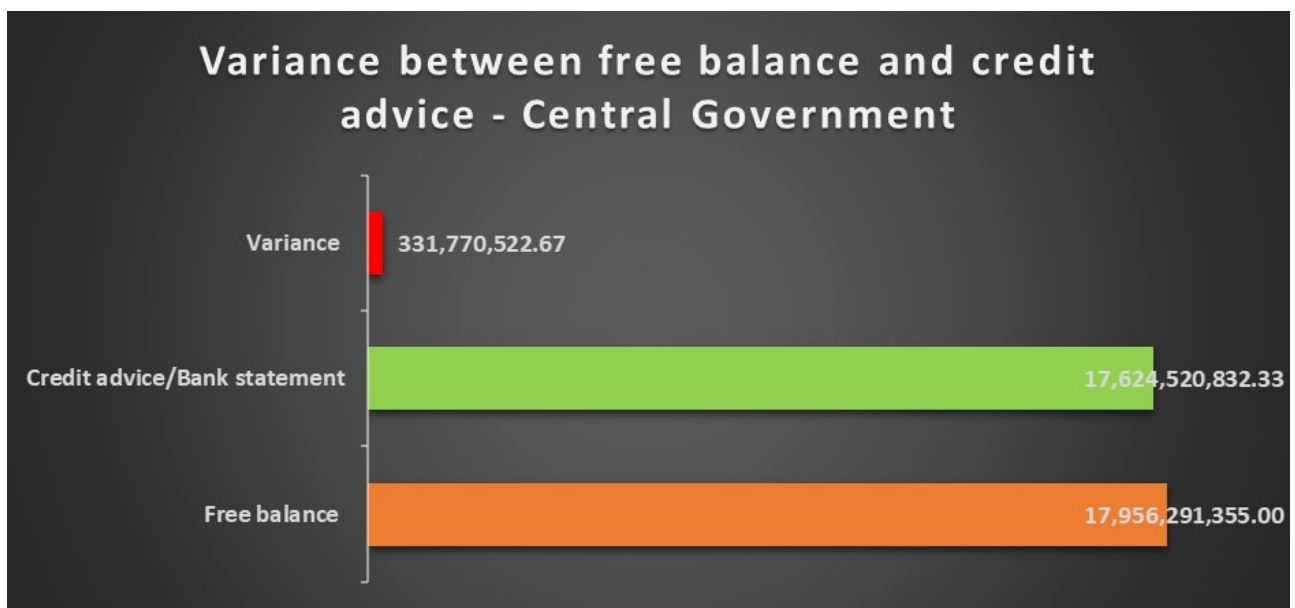
	406,864.00	-	
1161 (MWT) Wildlife	6,025,603.00	-	-
1161 (MWT) Tourism	504,108.00	-	-
1321 (MDV) Veterans Affairs	-	203,897,111.00	-
1321 (MDV) Ministry of Defence	170,266.70	-	-
1331 NSS) National Security ISB	40,505,586.00	13,086,108.00	-
2151 (DMA) De-Mining (Mine Action)	521,924.00	194,222.00	-
2161 (DDR) Disarm Demob & Rei	341,706.00	4,019,627.00	-
Sub Total Security Sector	48,476,057.70	221,197,068.00	-
Hum/Social Welfare Sector	Unpaid/unremitted	Diversion	Docs not provided
1191 (MGC) Gender, Child &	78,431.00	-	-
1201 (MPB) Min Peace Building	-	-	-
1371 (MCY) Youth & Sports	-	-	409,790.00
2231 (PC) Peace Commission	275,134.00	-	-
2241 (WWO) War Disabled, Wid	33,755.00	-	-
Sub Total Hum/Social Welfare Sector	387,320.00	-	409,790.00
Grand Total	71,666,188.70	221,754,557.00	17,002,863.00

Sector	Unpaid/unremitted	Diversion	Docs not provided
Total Central Government	23,190,131.00	557,489.00	17,002,863.00
Total Organized Forces	48,476,057.70	221,197,068.00	-
Grand Total	71,666,188.70	221,754,557.00	17,002,863.00

2.1 Summary of Central Government

S/No	Institutions	Free Balance	Credit Advice/Bank Statement	Variance	Unremitted	Diversion	Doc not Provided
1	Central Government (Civilians)	7,645,131,090.00	7,885,455,653.00	-240,324,563.00	23,190,131.00	557,489.00	17,002,863.00
2	Organized Forces	7,853,958,025.38	6,582,419,628.55	1,271,538,396.83	48,476,057.70	221,197,068.00	-
3	Total Deductions	2,457,202,239.62	3,156,645,550.78	-699,443,311.16	-	-	-
	Grand Total	17,956,291,355.00	17,624,520,832.33	331,770,522.67	71,666,188.70	221,754,557.00	17,002,863.00

Institutions	Free Balance	Credit Advice/Bank Statement	Variance	Unremitted	Diversion	Doc not Provided
Grand Total	17,956,291,355.00	17,624,520,832.33	331,770,522.67	71,666,188.70	221,754,557.00	17,002,863.00



Appendix 3: Variance in Transfers to the States and Administrative Areas

Institutions	FREE BALANCE	CREDIT ADVICE/BANK STATEMENT	Variance
Central Equatoria State (CES)	979,133,607.42	979,132,607.47	999.95
Eastern Equatoria State (EES)	676,658,218.36	676,452,236.22	205,982.14
Jonglei State (JS)	1,210,614,831.22	1,210,514,823.00	100,008.22
Lakes States (LS)	917,005,927.14	916,542,352.00	463,575.14
Northern Bhar Ghazal State (NBGS)	1,007,602,448.00	1,007,302,456.00	299,992.00
Unity State (US)	729,067,760.00	757,370,261.00	(28,302,501.00)
Upper Nile State (UNS)	1,182,145,806.36	1,267,877,953.00	(85,732,146.64)
Warrap State (WS)	1,008,350,732.72	1,009,203,247.00	(852,514.28)
Western Equatoria State (WES)	792,037,800.69	641,624,911.01	150,412,889.68
Western Bhar Ghazal State (WBGS)	398,298,436.97	398,088,436.60	210,000.37
Abye Administrative. Area	121,512,925.00	121,411,623.00	101,302.00
Pibor Administrative Area (PAA)	265,733,053.08	265,722,053.00	11,000.08
Ruweng Administrative Area (RAA)	226,666,049.08	226,554,238.00	111,811.08
G. TOTAL	9,514,827,596.04	9,477,797,197.30	37,030,398.74

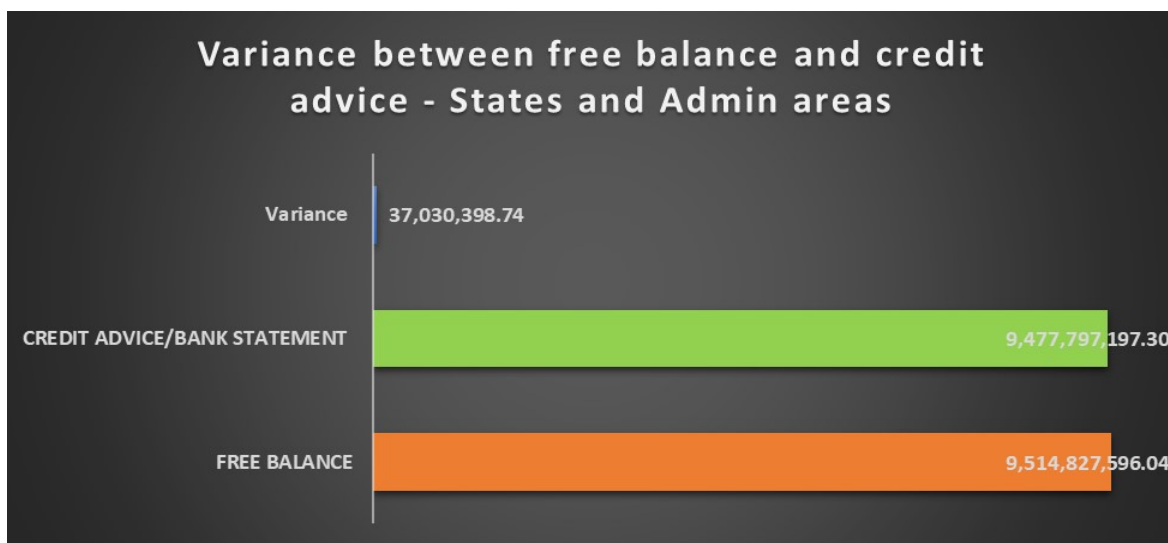
Appendix 4: Unremitted, Diversion and Documents not Provided - States and Admin

Institutions	Unremitted	Doc not Provided
Central Equatoria State (CES)	3,538,860.00	212,891,680.42
Eastern Equatoria State (EES)	13,872,895.00	
Jonglei State (JS)		
Lakes States (LS)	60,675.00	
Northern Bhar Ghazal State (NBGS)	1,168,578.44	62,758,339.00
Unity State (US)		
Upper Nile State (UNS)	1,834,753.00	1,033,201,482.00
Warrap State (WS)	426,072.00	
Western Equatoria State (WES)	522,953,612.00	3,477,888.00
Western Bhar Ghazal State (WBGS)	596,905.00	
Pibor Administrative Area (PAA)	90,101,391.00	
G. TOTAL	634,553,741.44	1,312,329,389.42

Areas

4.1 Summary of The Ten States and Three Administrative Areas

Institutions	Free Balance	Credit Advice/Bank Statement	Variance	Unremitted	Doc not Provided
States and Admin Areas'	9,514,827,596.04	9,477,797,197.30	37,030,398.74	634,553,741.44	1,312,329,389.42
Grand Total	9,514,827,596.04	9,477,797,197.30	37,030,398.74	634,553,741.44	1,312,329,389.42



4.2 Summary of Central Government, States and Administrative Areas Governments

Institutions	Free balance	Credit advice/bank statements	Variance	Unremitted	Diversion	Docs not provided
Central Government and Organised Forces	17,956,291,355	17,624,520,832	331,770,523	23,190,131	557,489	17,002,863
States and Admin areas	9,514,827,596	9,477,797,197	37,030,399	634,553,741		1,312,329,389
Grand Total	27,471,118,951	27,102,318,030	368,800,921	706,219,930	899,166,557	1,329,332,282



Appendix 5: Irregular Salaries Payment to Deceased Relatives Under the Organized Forces

S/No	Particulars	Amount- SSP
1	Torit County – Deceased	1,934,672.00
2	Kapoeta –Deceased –Kapoeta North	846,000.00
3	Kapoeta –Deceased- -Kapoeta South	1,340,768.00
5	Kapoeta –Deceased- Losolia	702,904.00
6	Kapoeta –Deceased- Budi	385,912.00
7	Unity state-Prision	2,616,559.00
8	Unity state-Police	4,378,536.00
9	Unity state-Wildlife	1,741,544.00
	Total	13,946,895.00

Appendix 6: Double payment of salary arrears

S/N.	Western Equatoria State	Net Salary Paid in Yambio	Net Salary Paid in Juba
	Name		
1	Ngbeime Elie Taban	34,112	38,800
2	Ramadan Botrus Bullen	33,160	36,000
3	Jacob Juma	24,920	31,600
4	Abdallah Karim Asaballah	22,488	36,000
5	Charles Dunge Alison	20,576	22,000
6	Nathen Ezekiel Dawidi	20,576	23,600
7	Emmanuel Galibi Kosara	21,008	30,800
8	Loice Mandulu Michael	19,568	20,800
9	William Marko Edo	12,296	22,000
10	Bullen Phillip Mondagi	12,296	16,000
11	Elizabeth John Loi	12,296	16,000
12	Victoria Thomas Peter	12,296	16,000
		245,592	309,600

Appendix 7: Non deduction and remittance of statutory deductions

S/n	State	Entity	Amount
1	Warrap State	Police	9,796,456
		Prision	6,057,352
		Willife	2,317,848
		Civil Defence	1,753,678
	Total		19,925,334

Appendix 8: USD 86,633,826.22 BOSS Auction to Commercial Banks

S/NO	AUCTION DATE	AUCTION AMOUNT USD	SSP Eq. at Bit Rate	FX REVALUATION
1	19/7/21	792,911.00	311,827,117.83	311,827,117.83
2	26/7/21	3,000,000.00	1,202,690,367.60	1,202,690,367.60
3	2/8/2021	3,000,000.00	1,240,619,001.00	1,240,619,001.00
4	9/8/2021	3,000,000.00	1,217,386,500.00	1,217,386,500.00
5	16/8/21	3,000,000.00	1,226,441,250.00	1,226,441,250.00
6	23/8/21	3,000,000.00	1,231,139,750.00	1,231,139,750.00
7	30/8/21	3,000,000.00	1,220,287,980.00	1,220,287,980.00
8	6/9/2021	3,000,000.00	1,214,916,875.00	1,214,916,875.00
9	13/9/21	3,000,000.00	1,213,599,264.00	1,213,599,264.00
10	22/9/21	3,000,000.00	1,200,438,260.00	1,200,438,260.00
11	19/10/21	3,000,000.00	1,214,960,075.00	1,214,960,075.00
12	3/11/2021	3,000,000.00	1,235,023,750.00	1,235,023,750.00
13	17/11/21	3,000,000.00	1,242,475,000.00	1,242,475,000.00
14	1/12/2021	3,000,000.00	1,240,447,955.00	1,240,447,955.00
15	13/1/21	3,000,000.00	1,265,915,505.00	1,265,915,505.00
16	20/12/21	5,000,000.00	2,114,967,700.00	2,114,967,700.00
17	30/12/21	5,000,000.00	2,114,967,700.00	2,114,967,700.00
18	3/1/2022	5,000,000.00	2,169,268,325.00	2,169,268,325.00
19	10/1/2022	8,000,000.00	3,451,559,235.00	3,451,559,235.00
20	17/1/22	8,000,000.00	3,439,702,729.04	3,439,702,729.04
21	24/1/22	8,000,000.00	3,446,595,260.00	3,446,595,260.00
22	31/1/22	4,840,915.22	2,084,014,002.21	2,084,014,002.21
TOTAL		86,633,826.22	36,299,243,601.68	36,299,243,601.68

SSP converted to USD at the auction average rate of SSP 419

Appendix 9: Analysis of IMF Rapid Credit Facility (RCF) Loan

BOSS Records		SSP
Principal proceeds		18,264,993,852
Premium proceeds		14,503,609,758
Total proceeds to MOFP RCF SSP Account		32,768,603,610
Premium proceeds	USD	SSP
Commercial Banks	54,102,089	8,484,443,881
Forex	33,200,000	6,019,165,878
Total proceeds	87,302,089	14,503,609,758

Appendix 10: MoFP CASH BOOK: RCF2 SSP A/C No. 00269122271227

Date	Details	Amount in SSP		
		DR	CR	Bal
01.04.2021	Balance C/F from RCF I	490,998,363.66		490,998,363.66
27.04.2021	Deposit of \$ 87,302,089 @ rate of 209.22	18,264,993,852.22		18,755,992,215.88
28.04.2021	March 2021 salaries		3,450,437,258.90	15,305,554,956.98
03.05.2021	Oct - Dec 2020 salaries		9,917,602,781.27	5,387,952,175.71
01.06.2021	April & May 2021 salaries		7,518,946,449.09	(2,130,994,273.38)
25.06.2021	Premium from RCF II Auction	2,000,000,000.00		(130,994,273.38)
02.07.2021	Premium from RCF II Auction	12,163,940,003.28		12,032,945,729.90
03.07.2021	April & May 2021 salaries continued		1,390,000,790.18	10,642,944,939.72
14.09.2021	June 2021 salaries		3,862,987,898.83	6,779,957,040.89
07.10.2021	August 2020 salaries		2,464,132,233.23	4,315,824,807.66
19.08.2022	Premium from RCF II Auction(balance)	339,759,754.65		4,655,584,562.31
	G. Total	33,259,691,973.81	28,604,107,411.50	4,655,584,562.31

(Source: Bank Statement & Cash Book Register)