



SOUTH SUDAN NATIONAL AUDIT CHAMBER

**THE REPORT OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS OF
THE GOVERNMENT OF SOUTHERN SUDAN**

**FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER 2007**

**TO
THE PRESIDENT
OF THE GOVERNMENT OF SOUTH SUDAN
AND
THE SOUTH SUDAN LEGISLATIVE ASSEMBLY**

CONTENTS

Introduction	05
Auditor General's Opinion	07
Financial Statements for 2007	17
CHAPTER-1 : Oil Revenue	67
CHAPTER-2 : Non-Oil Revenue	83
CHAPTER-3 : Ministry of Cabinet Affairs	93
CHAPTER-4 : Ministry of Education, Science and Technology	113
CHAPTER-5 : Ministry Finance and Economic Planning	133
CHAPTER-6 : Ministry of Health	149
CHAPTER-7 : Ministry of Internal Affairs	167
CHAPTER-8 : Ministry of Legal Affairs & Constitutional development	173
CHAPTER-9 : Southern Sudan Legislative Assembly	187
CHAPTER-10 : Sudan People's Liberation Army	199
CHAPTER-11 : Judiciary	205
CHAPTER-12 : Independent Commissions	217
CHAPTER-13 : Southern Sudan Human Rights Commissions	223

INTRODUCTION

The Financial Statements of the Government of Southern Sudan for the year 2007 were issued in September 2008. This Audit Report should normally have been released six months after that, but the office of the Auditor General was vacant for most of that year. The Legislative Assembly, quite understandably, curtailed the budget of the Chamber limiting the funding to the retention of personnel to a skeletal structure and custody of assets. Audit activity, however, continued at a minimal level, mainly to take care of the audit of Multi Donor Trust Fund Projects of the World Bank. This was enabled by the External Audit Agent (PKF Llc London UK). Operational Funding to the Chamber was revived after the arrival of the new Auditor General in June 2010.

I am happy to report that in these eighteen months of my tenure the Audit Chamber has been welcomed by different ministries and agencies, for its services and suggestions. So much so, I have had difficulties in honouring every request I have received with my skeletal staff with limited skills. Yet, as is evidenced by this Audit Report, the arm of audit has been extended to the South Sudan Legislative Assembly, the Judiciary, and the Ministry of Cabinet Affairs amongst many other ministries and institutions. For the first time the independent commissions have also been brought within the audit network. I now have the confidence to say that the Chamber can scale new heights of professionalism in the years to come and fulfil the desires and dreams of the founding fathers of this new nation.

My constitutional responsibility is to present this audit report to His Excellency The President of South Sudan and the South Sudan Legislative Assembly. If there are matters that require further action it is the decision of the Presidency and the Legislative Assembly to take them forward.

After this presentation, this report shall become a public document, available to the citizenry and other stakeholders. I hope for a similar encouraging response to this report as was extended to the Chamber for the earlier two Audit Reports.

Ambassador Steven Wundu
Auditor General, South Sudan
Date



SOUTH SUDAN NATIONAL AUDIT CHAMBER

**OPINION OF THE AUDITOR GENERAL
ON THE FINANCIAL STATEMENTS
OF THE GOVERNMENT OF SOUTHERN SUDAN**

FOR THE YEAR ENDED

31st December 2007



OPINION OF THE AUDITOR GENERAL SOUTH SUDAN ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 2007

INTRODUCTION

The year 2007 was the third year of the formation of the Government of Southern Sudan. The capacity constraints of the earlier years continued in the executive government and in the other institutions and agencies not covered in the audits of 2005 and 2006.

By 2007 the Financial Accounting and Procurement Ordinance had been adopted. Nevertheless, compliance with its provisions was not enforced. Respect for the integrity of the budget remained a worrying challenge. Instead, a second budget was prepared and passed unchallenged in parliament as a 'supplementary budget'. Ordinarily, supplementary budgets are exceptional appropriations to redress specific national emergencies.

The duty of the Auditor General is to present a report to the President and the Legislative Assembly. It is the responsibility of those institutions to take remedial measures as the report may indicate.

After its delivery to the House, this report becomes a public document.

LEGAL BASIS FOR AUDIT

My audit was conducted in compliance with the requirements of the Interim Constitution of Southern Sudan 2005, Section 195 Articles (4) and (5) which state:

Article (4): 'The Southern Sudan Audit Chamber shall assume auditing of the accounts of the Southern Sudan Executive, the Southern Sudan Legislative Assembly, the Judiciary of Southern Sudan and the accounts of states, local governments, independent commissions, public institutions and corporations and any other institutions as may be determined by law.'

Article (5): 'The Southern Sudan Auditor General shall present an annual report to the President of the Government of Southern Sudan and the Southern Sudan Legislative Assembly.'

RESPONSIBILITY

The financial statements under audit were the responsibility of the Ministry of Finance and Economic Planning. That Ministry was primarily responsible for budget execution and efficient cash management. In addition, the ministry was also responsible for ensuring that the internal control procedures relevant to the preparation and fair representation of the financial statements were applied. These internal controls should ensure that the financial statements were free from material misstatement, whether due to fraud or error. The Ministry of Finance and Economic Planning had the responsibility of selecting and applying appropriate accounting policies and making accounting estimates that were reasonable in the circumstances.

My responsibility is to express an opinion whether the financial statements present a true and fair view of the financial position of the government on 31st December 2007 and the income and expenditure for the year then ended. I believe that my audit planning and testing provides a reasonable basis for my opinion.

The audit did not cover all the ministries, departments and agencies due to resource constraints amongst other reasons. The sample of ministries, months of audit and vouchers were selected on the basis of the cooperation of officials and statistical sampling based on perceived risk and materiality. My opinion is based on the inference derived from the analysis of the samples examined.

SCOPE OF AUDIT

I conducted my audit in accordance with INTOSAI (International Organisation of Supreme Audit Institutions) Standards. These standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. My audit included:

1. Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
2. Assessing the accounting principles used and significant estimates made by management.
3. Examining to confirm whether public funds were expended according to the budget.
4. Evaluating the overall presentation of the financial statements for the year.

SPAN OF AUDIT

The audit covered nine specific areas and these are:

- a) Budget Execution
- b) Oil Revenue
- c) Non-Oil Revenue

- d) Payroll Expenditure
- e) Operating Expenditure
- f) Procurement and Capital Expenditure
- g) Bank and Cash Accounts
- h) Internal Controls
- i) Maintenance of Asset Registers

I have provided details for each of these in the reports on individual ministries. The reader is invited to examine the detailed reports for a fuller appreciation of the financial affairs of the Government of Southern Sudan in 2007.

I wish to pronounce a few highlights here as pointers to my opinion.

Budget Execution

Audit found no evidence that the Ministry of Finance and Economic Planning based the release of funds to spending agencies on approved budget lines. While some institutions were cash starved, others received, on the discretion of the Ministry, more funds than were legally authorized. The Ministries, for all purposes and intent, threw the budget out of the window. Examples:

a) The Ministry of Cabinet Affairs

- Spent USD 15,514,488 (475%) out of budget.
- Exceeded budgeted payroll expenditure by 202%.
- Exceeded budgeted operating expenditure by 112%.
- SDG 567,966 cash balance at year end was not returned to the Consolidated Fund Account.
- SDG 7,830,764 of cash withdrawals are not accounted for.

b) The Ministry of Education, Science and Technology

- Spent USD 3,860,917 out of budget.
- The use of SDG 8 million allocated for 'casual workers' was not satisfactorily explained.

c) The Ministry of Health

The Ministry received only 40 % of its appropriation. Of this the ministry hoarded a cash balance of SDG 3,259,517 in the box on December 31st.

d) The Southern Sudan Legislative Assembly overspent SDG 5,611,843 on pay roll by curtailing Capital Expenditure.

e) The Ministry of Finance and Economic Planning:

- Overspent by USD 16,888,403.
 - Expenses without supporting documents was USD 2,283,820
 - Budget execution by MoFEP was non existent with excess expenditure of SDG 77.88 million for all ministries.
 - The budget on Office and General supplies was over spent by 1,507%
 - Other Operating Expenses were overspent by 407%. There was overspend on every item of Operating Expenditure including Donations and Grants which was overspent by 811%
 - For USD182.90 million, the accounting agent of GoSS does not have details of transactions in the various bank accounts, as recorded in the Financial Statements of 2007.
- g) Some ministries spent allocation in one line item for another without authority. Cabinet Affairs did that for SDG 710,048 and the Ministry of Education, Science and Technology for SDG 222,144.
 - h) Loans to Nile Commercial Bank amounted to USD 3 million and was without terms and conditions being specified.
 - i) Southern Sudan Human Rights Commission over spent the budget by SDG 353,923 and did not surrender Savings of SDG 2,871,173.

Oil Revenue

- a) Oil revenue received from Government of National Unity (GoNU) in 2007 was USD 1.427 billion out of the GoSS total revenue budget of USD 1.433 billion.
- b) Out of USD 1.541 billion transferred to GoSS according to the Ministry of Finance and National Economy Petroleum Unit, USD 114.11 million did not show up in the GoSS financial statements of 2007.
- c) The oil revenue received by the states or due to them cannot be correctly ascertained as the states in some instances received money directly from GoNU without accounting explanation.
- d) GoNU deducted USD 43.96 million from GoSS oil revenue as direct expenditure but no supporting documents have been availed to GoSS or audit.
- e) USD 383.06 million are reportedly due to GoSS at the end of 2007.

Non-Oil Revenues

- a) Against its budgeted non oil tax revenue of USD 217,457,136, GoSS collected a mere 2% of USD 4,234,562 in a year when importers and domestic traders were complaining of a heavy tax burden.
- b) Non-Oil revenue due to GoSS from the GoNU, if any, was not reflected in the accounts of 2007.
- c) The Ministry of Legal Affairs and Constitutional Development did not transfer to GoSS, SDG 86,351 collected as fees. Similarly SSEC did not remit SDG 1,311,862 to GoSS,

Payroll Expenditure

- a) No ministry could avail complete pay rolls and the related nominal rolls as demanded by audit.

Illustratively:

- The Ministry of Finance and Economic Planning could not present 33 % of the sample selected for audit.
- The Judiciary could not supply 87% of the pay rolls wanted.

The failure to provide these records limited the scope of the audit. Moreover, the reliability of the pay record received was questionable. As a result, I was unable to verify whether salaries and allowances were paid in accordance with employees' grades, and whether these payments were properly authorised.

- b) The ministries and the Judiciary did not maintain Deposit Registers for and could not therefore account for unclaimed salaries.
 - In the Judiciary this amounted to SDG 303,717.
 - In the Ministry of Education, Science and Technology, it was SDG 124,408.
 - In Cabinet Affairs it was SDG 30,833.
 - In Legal Affairs and Constitutional Development it was SDG 56,160.
- c) Cabinet Affairs paid SDG 20, 911 as salaries to persons not in their employ and SDG 552,395 as double pension payment.
- i) The Ministry of Education, Science and Technology paid SDG 833,099 as 'Saturday and Sunday' allowances to headquarters staff.

The Southern Sudan Legislative Assembly

- Paid members SDG 2.1 million as 'customs duty reimbursement'. No such duties appeared on the revenue accounts of the government. Meaning that Honourables were 'reimbursed' for expenditures they did not incur.

- Paid members SDG 2.242 million as 'outfit and hospitality allowance'. No legal instrument or administrative regulation was cited.

Operating Expenditure

Despite the adoption of the Financial Accounting and Procedures Ordinance (FAPO), ministries and agencies procured goods and services without signing contracts and paid for them without supporting documents.

a) The Ministry of Education, Science and Technology

1. Paid SDG 11.7 million without vouchers out of which SDG 4.5 million was for student support and SDG 1.1 million as advances for workshops. Such students' aid was without recorded details of students and educational institutions. The students' assistance was delivered in cash, without involving the liaison offices for identifying citizenship

b) Cabinet Affairs did not account for cash withdrawals for SDG 7,830,864; granted one official medical referral of SDG 644,000.

c) The Ministry of Health

- Made payments without vouchers for SDG 2,585,620.
- Made payments to unauthorised payees amounting to SDG 750,694.
- Vouchers not defaced as proof of payment were SDG 1,828,141.
- Vouchers not produced for audit held SDG 2,372,154.

d) The Southern Sudan Legislative Assembly

- Availled no vouchers to audit for SDG1,832,247 for operating expenditure and for SDG 1,325,659 paid as travelling advances to members and staff.
- Had outstanding advances and loans to staff amounted to SDG 1,081,331 and SDG 350,690 respectively.

e) The Ministry of Legal Affairs and Constitutional Development did not avail vouchers for SDG 120,505.

f) Southern Sudan Human Rights Commission made fraudulent double payments for USD 104,055 and there were no supporting documents for SDG 849,044.

Capital Expenditure

Single source procurement continued in practice in 2007. The total value of vehicles purchased through single sourcing was USD 14,487,719. We were unable to establish any records of location, registration details, custodians and present condition of these vehicles.

This lack of internal control and absence of asset records made it impossible to establish if any of these vehicles were in fact delivered and were being used for legitimate GoSS purposes.

Bank and Cash Balances

- a) Of the USD 165,915,978 transferred to Geneva accounts in 2006, USD 233,409,754 was returned to GoSS accounts in Sudan. The remaining USD 7,431,723 was not accounted for as an asset in 2006. This remained unaccounted for in 2007 also.
- b) Unconfirmed GoSS balances held with various banks on 31 December 2007 was USD 40,861,732.
- c) Year end cash balances in various ministries were not disclosed in the financial statements.

Disclaimers

- i) The Ministry of Internal Affairs which had an allocation of SDG108, 393,569 (7.2% of GoSS budget) did not produce any document for audit despite several attempts through letters and meetings. In view of this, I am unable to render an opinion on the Financial Statements with respect to this ministry for the year 2007.
- ii) The Ministry of SPLA Affairs which had an allocation of SDG 588,013,019 (38.8% of GoSS budget) did not produce any document for audit despite several attempts through letters and meetings. In view of this, I am unable to render an opinion on the Financial Statements with respect to this ministry for the year 2007.
- iii) Audit did not obtain credible records on oil production upstream, absorption by refineries and depots midstream, lifting and sales downstream, and the invoicing and payment details. In view of this, I am unable to render an opinion on the oil revenue entry in the Financial Statements for the year 2007.

Value for Money Remarks

1. The Ministry of Education, Science and Technology's SDG 8.0 million misappropriations for 'casual work' could have paid the salaries of 680 university graduate teachers for a year, saving tens of thousands of children from illiteracy and ignorance.¹
2. The Ministry of Education's 'week end allowance' was an equivalent of the salaries of 855 teachers in a month.²

¹ At the Public Service rate of SDG 11,700 per annum

² Ibid

3. The Ministry of Education's cash dishing to unverifiable 'students' could have educated 195 students through Makerere University in three year degree courses.³
4. The Ministry of Education's cash withdrawals of SDG 7.8 million for unspecified reasons, could have met the salaries of a further 634 teachers for a whole year.
5. The Ministry of Health's cash hoard of SDG 3.3 million could have met the salaries of 280 university graduate nurses for a year, saving an unknown number of lives.⁴
6. Missing oil revenue of USD114 million could have been enough to import 3,800 heavy duty tractors. This could have significantly reduced or even eliminated our dependence on imported food, alleviated rural poverty and generated additional sources of revenue for local and state governments.⁵
7. The Assembly's 'hospitality allowance' of SDG 2.2 millions could have met the annual emoluments of 182 graduate engineers.⁶
8. The money due from Geneva Bank USD 7 million dollars, at a rate of SDG2.5 per dollar amounted to a loss of 18,580 heads of cattle, and to that extent exacerbated the famine experienced throughout Southern Sudan in 2007.

OPINION

Without the benefit of review of oil revenue documents (98% of total revenue), and without review of the records of the Ministries of Interior and SPLA Affairs, which together constituted almost 50 % of the total public spending for the year, and in light of the discrepancies found in the sample tests, in my opinion, the financial statements of the Government of Southern Sudan for the year ended 31st December 2007 do not present a true and fair financial position for the year and the Income and Expenditure of the Government of Southern Sudan for the year then ended.

Signed: _____ Dated: _____

Ambassador Steven K Wöndu Auditor General

³ At SDG 10, 000 per semester for six semesters per student

⁴ Ibid

⁵ At the cost of US30, 000 per unit of the John Deer type exhibited at Nyakuron in November 2011

⁶ At the Public Service rate of SDG12,300

FINANCIAL STATEMENTS

AT

31st DECEMBER 2007

PRESENTED TO

**H.E. THE MINISTER OF FINANCE
AND ECONOMIC PLANNING,**

MR KUOL ATHIAN MAWEIN

ON 16 AUGUST 2007

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2007**

Outstanding matters

- 1 Confirmation of coding/allocation of expenditure by officials of the Ministry of Finance and Economic Planning (MOFEP), other GoSS ministries and spending agencies, as well as State-level ministries and State Legislative Assemblies.
- 2 Explanation of USD 79,386,185 difference between actual oil revenue transfers recorded in GOSS bank accounts to oil revenue cash transfers reported in the Petroleum Unit Oil Report for the month of December 2007 – Note 2 (d).
- 3 Supporting documentation for direct expenditures reported in the Petroleum Unit Oil Report for the month of December 2007 – Note 2 (e).
- 4 Details, bank statements and supporting documentation for GoSS bank accounts held at BNP Paribas Geneva, Switzerland – Note 32(a).
- 5 Provision of supporting documentation and explanations for suspense items (Note 6 and 7) – re: outstanding documentation and explanations.
- 6 Terms and conditions for USD 3 million loan advanced to Nile Commercial Bank by MOFEP, upon request by the Bank of Southern Sudan (Note 19).
- 7 Incorporation of MDTF and CBTF accounts.
- 8 Details of goods and services purchased on GoSS' behalf by other third parties.
- 9 Details, from GoSS, of borrowings i.e. cash inflows from banks, or lending institutions as well as amounts owing in respect of non – cash assistance by third parties.
- 10 Details of external assistance to GoSS and its ministries, if any.

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

Confidentiality/Disclaimer clauses

These draft financial statements are *strictly confidential* and are addressed solely to the Minister of Finance and Economic Planning (MoFEP), the Government of Southern Sudan (GoSS). KPMG cannot be held responsible for its unauthorised copying and distribution. Recipients are respectfully reminded that the financial statements contain sensitive information and should be kept secure at all times.

We have produced these financial statements specifically for the purposes stated in our engagement letter with the Government of Southern Sudan and its interpretation, use or application for other purposes imposes no obligations on KPMG.

KPMG is responsible for only the preparation of the Government of Southern Sudan 2007 accounts, on a cash basis in accordance with International Public Sector Accounting Standards (IPSAS) “Financial Reporting under the Cash Basis of Accounting” unless otherwise stated in the financial statements. At no time is KPMG responsible for authorising any GoSS financial or operational transactions.

MoFEP, together with other GoSS Government ministries and agencies, is responsible for:

- Providing KPMG with all relevant information and accounting records;
- Budgetary monitoring and control, including managing, allocating and coding of budgeted expenditures, and provision of explanations for actual-to-budget variances to Parliament and stakeholders as appropriate; and
- Informing KPMG of all Government decisions and policy changes necessary for proper and effective execution of its accounting responsibilities.

The preparation of these financial statements is dependent on the completeness, accuracy and reliability of data received from a variety of sources. KPMG makes no warranty or claim as to the accuracy of the information on which this report is based and cannot be held responsible for any inaccuracies so arising.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

Table of contents

Page No.

Statement of cash receipts and payments

Statement of comparison of budget and actual amounts

Statement of payments by sector

Notes to the financial statements

Appendix I

Summary of Ministries' budget to actual expenditure
for the year ended 31 December 2007

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

	Page No.	Note	2007	2006	Movement
RECEIPTS			USD	USD	USD
Net oil revenues	11	2(a)	1,426,541,096	1,241,707,775	184,833,321
Other receipts	5	-	6,584,806	1,463,842	5,120,964
Total receipts, excl. suspense receipts			1,433,125,902	1,243,171,617	189,954,285
Suspense receipts - pending further information and explanations	5	-	67,958,891	313,828	67,645,063
Total receipts, incl. suspense receipts			1,501,084,793	1,243,485,445	257,599,348
PAYMENTS					
Suspense payments - pending further information and explanations	5	-	114,937,078	107,877,867	7,059,211
Salaries	5	-	734,003,505	543,417,067	190,586,438
Operating costs	6	-	478,030,190	556,907,609	(78,877,419)
Development costs	6	-	197,583,134	464,564,398	(266,981,264)
Total payments, excl. suspense payments			1,409,616,829	1,564,889,074	(155,272,245)
Total payments, incl. suspense payments			1,524,553,907	1,672,766,941	(148,213,034)
Decrease in cash balances	33	31	(23,469,114)	(429,281,496)	405,812,382
Cash balances at 1 January	33	31	64,330,846	493,612,342	(429,281,496)
Cash balances at 31 December analysed as follows:			40,861,732	64,330,846	(23,469,114)
Cash held under lien – Letters of Credit	35	33	535,334	19,864,446	(19,329,112)
Available bank balances	34	32	40,326,398	44,466,400	(4,140,002)
	34	32	40,861,732	64,330,846	(23,469,114)

The notes on pages to form an integral part of these financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Page No.	Note	2007 budget USD (a)	2007 actual USD (b)	Under/(over) budget USD (c)=(a)-(b)	% annual budget to actual % (d) = (b/a)
CASH INFLOWS						
Net oil revenues	11	2(a)	1,300,000,000	1,426,541,096	(126,541,096)	110%
Other receipts						
Non - oil tax revenues	13	3	217,457,136	4,234,902	213,222,234	2%
Non - tax revenues			17,003,364	-	17,003,364	0%
Bank interest income	13	4	-	1,534,290	(1,534,290)	(100%)
Foreign exchange gains	14	5	-	815,614	(815,614)	(100%)
Total other receipts			234,460,500	6,584,806	227,875,694	3%
Receipts, excl. suspense receipts			1,534,460,500	1,433,125,902	101,334,598	93%
Suspense – receipts pending further information and explanations						
Bank of Sudan SDG-6919/1000/3	14	6(a)	-	43,069	(43,069)	(100%)
Bank of Sudan SDG-6919/1000/2	14	6(b)	-	858,653	(858,653)	(100%)
Bank of Sudan USD - 6919/1000/7	15	6(c)	-	1,216,940	(1,216,940)	(100%)
Bank of Sudan USD - 6919/1000/12	15	6(d)	-	62,840,229	(62,840,229)	(100%)
Stanbic USD account	15	6(e)	-	3,000,000	(3,000,000)	(100%)
Total suspense receipts			-	67,958,891	(67,958,891)	(100%)
TOTAL RECEIPTS, INCL. SUSPENSE RECEIPTS			1,534,460,500	1,501,084,793	33,375,707	96%
CASH OUTFLOWS						
Suspense - payments pending further information and explanations						
Bank of Sudan SDG - 6919/1000/3	16-18	7(a)	-	39,013,005	(39,013,005)	(100%)
Bank of Sudan SDG - 6919/1000/22	18	7(b)	-	80,509	(80,509)	(100%)
Bank of Sudan SDG - 6919/1000/2	18	7(c)	-	35,442,156	(35,442,156)	(100%)
Bank of Sudan USD - 6919/1000/7	19	7(d)	-	670,000	(670,000)	(100%)
Bank of Sudan USD - 6919/1000/12	19	7(e)	-	39,674,324	(39,674,324)	(100%)
Bank of Sudan SDG - 6919/1000/3			-	57,084	(57,084)	(100%)
Total suspense payments			-	114,937,078	(114,937,078)	(100%)
Net suspense items			-	46,978,187	(46,978,187)	(100%)
Salaries	20	8	745,650,477	734,003,505	11,646,972	98%
Operating costs						
Temporary and casual labour			1,826,394	56,338	1,770,056	3%
Utilities			1,816,946	149,301	1,667,645	8%
Telecommunications			1,684,712	159,323	1,525,389	9%

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007**

	Page No.	Note	2007 budget USD (a)	2007 actual USD (b)	Under /(over) budget USD (c)=(a)-(b)	% annual budget to actual % (d) = (b/a)
Courier and postal			413,874	93,816	320,058	23%
Domestic travel, accommodation and allowances	21	9	7,620,831	12,981,296	(5,360,465)	170%
Foreign travel			6,172,187	3,376,311	2,795,876	55%
Printing and advertising			2,111,949	448,976	1,662,973	21%
Rent and hire costs	22	10	9,243,358	10,183,730	(940,372)	110%
Training	22/23	11	16,366,565	10,710,329	5,656,236	65%
Hospitality	23	12	4,962,375	7,329,988	(2,367,613)	148%
Insurance			2,606,373	845,431	1,760,942	32%
Specialised materials and supplies	24	13	34,560,537	107,525,555	(72,965,018)	311%
Office and general supplies	24	14	2,307,742	34,768,189	(32,460,447)	1507%
Fuel and lubricants	24	15	32,087,447	9,461,140	22,626,307	29%
Vehicle maintenance	25	16	4,576,962	2,869,247	1,707,715	63%
Other maintenance	25	17	8,187,702	1,656,988	6,530,714	20%
Other operating expenses	25/26	18	12,028,895	48,996,233	(36,967,338)	407%
Exchange rates losses	14	5	-	2,045,480	(2,045,480)	100%
Loan to Nile Commercial Bank (NCB)	26	19	-	3,000,000	(3,000,000)	100%
Transfers to States and Counties	26	20	130,270,960	203,668,491	(73,397,531)	156%
Scholarships	26	21	4,934,978	3,731,274	1,203,704	76%
Emergency refugee assistance	27	22	2,173,000	8,654,207	(6,481,207)	398%
Subsidies to small businesses and cooperatives			615,194	747,161	(131,967)	121%
Donations and grants	27	23	563,750	4,571,386	(4,007,636)	811%
Total operating costs			287,132,731	478,030,190	(190,897,459)	166%
Development costs						
Furniture and general equipment	28	24	9,339,862	10,598,528	(1,258,666)	113%
Vehicles and other transport equipment	29/30	25	17,889,481	14,487,719	3,401,762	81%
Specialised plant, equipment and machinery	31	26	47,860,418	51,890,531	(4,030,113)	108%
Research, project preparation, design and supervision	31	27	24,371,578	10,660,817	13,710,761	44%
Construction and civil works	31/32	28	309,684,150	50,694,098	258,990,052	16%
Rehabilitation and renovation of assets	32/33	29	11,326,000	9,228,841	2,097,159	81%
Transfers to states and counties	33	30	10,200,232	49,430,558	(39,230,326)	485%

	Page No.	Note	2007 budget USD (a)	2007 actual USD (b)	Under /(over) budget USD (c)=(a)-(b)	% annual budget to actual (d) = (b/a) %
Capital grants to individuals, households and associations			22,156,016	592,042	21,563,974	3%
Total development costs			452,827,737	197,583,134	255,244,603	44%
Payments, excl. suspense payments			1,485,610,945	1,409,616,829	75,994,116	95%
TOTAL PAYMENTS, INCL. SUSPENSE PAYMENTS			1,485,610,945	1,524,553,907	(38,942,962)	101%
Reserves			48,849,555	-	-	-
Decrease in cash balances	33	31	-	(23,469,114)		
Cash balances at 1 January 2007	33/34	31/32		64,330,846		
Cash balances at 31 December 2007 analysed as follows:	33/34	31/32		40,861,732		
Cash held under lien – Letters of Credit	33-35	31-33		535,334		
Available bank balances	33/34	31/32		40,326,398		
	34	32		40,861,732		

The notes on pages to form an integral part of these financial statements.

STATEMENT OF PAYMENTS BY SECTOR
FOR THE YEAR ENDED 31 DECEMBER 2007

PAYMENTS/EXPENDITURE	2007	2006	Movement
	USD	USD	USD
Accountability	35,400,108	311,542,501	(276,142,393)
Economic Functions	19,269,698	20,975,891	(1,706,193)
Education	115,610,917	103,708,123	11,902,794
Health	33,339,498	62,668,503	(29,329,005)
Infrastructure	91,367,675	166,204,928	(74,837,253)
Natural Resources & Rural Development	54,249,549	55,174,413	(924,864)
Public Administration	116,382,596	85,487,216	30,895,380
Rule of Law	127,563,016	161,875,771	(34,312,755)
Security	591,268,429	554,585,564	36,682,865
Social & Humanitarian Affairs	18,804,669	39,280,634	(20,475,965)
Transfers	206,360,674	3,385,530	202,975,144
Sub – total	1,409,616,829	1,564,889,074	(155,272,245)
Suspense - payments	114,937,078	107,877,867	7,059,211
Total payments/expenditure	1,524,553,907	1,672,766,941	(148,213,034)

The statement above excludes suspense receipts of USD 67,958,891 in 2007 (2006 – USD 313,828).

The notes on pages to form an integral part of these financial statements.

STATEMENT OF CASH RECEIPTS AND PAYMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

1. PRESENTATION OF THE FINANCIAL STATEMENTS

(a) Basis of preparation

These draft financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) on a modified cash basis of accounting, except where stated otherwise. The modified cash basis comprises the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting, transactions and other events are recognised when cash is received or paid.

[Under IPSAS third party expenditure on behalf of the Government (e.g. CBTF, MDTF) should be incorporated.]

(b) Reporting entity

The financial statements are for the Government of Southern Sudan (GoSS).

(c) Presentation currency

All amounts have been presented in these financial statements in US dollars, which is the functional currency of GoSS in the 2007 financial year.

(d) Revenue

Oil revenues are recognised upon receipt by GoSS of oil sale proceeds from the Government of National Unity and have not been grossed up for any expenditure deducted at source by the Federal Ministry of Finance and National Economy in Khartoum.

[This accounting treatment does not comply with Section 1.3.13 of the International Public Sector Accounting Standard – Financial Reporting Under the Cash Basis of Accounting updated in January 2007, which requires that total cash receipts should be reported on a gross basis.]

Non-oil revenues and local and foreign aid assistance are recognised in the financial records on a receipts basis.

[Any non-oil revenues and local and foreign aid assistance received directly by Government ministries and agencies have not been included in these financial statements]

(e) Expenditure

Salaries, wages and other employee benefits

Salaries, wages and other employee benefits comprise payments to GoSS employees and are recognised as an expense in the statement of receipts and payments upon payment.

Goods and services

Payments made for goods and services are recognised as an expense in the statement of receipts and payments on a payments basis. Expenses are classified as capital if goods and services are used on a capital project.

Transfers and subsidies

All transfers and subsidies to the States are recognised as expenses on a payments basis.

(f) Assets

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of receipts and payments at cost comprise cash on hand, deposits held, and other short-term highly liquid investments.

Receivables

Receivables arising from cash payments that are recoverable from third parties, including loans advanced are shown in the disclosure notes to the financial statements.

Inventory

Inventories are written off upon purchase. Any amounts in hand at the reporting date are shown at cost in the disclosure notes to the financial statements.

(g) Liabilities

Payables

[Amounts payable are shown included in the disclosure notes. **At 31 December 2007 this policy had not been effected.**]

Accruals

[Accruals representing goods and services that have been rendered to the Government, but for which no invoices have been presented by the suppliers at the reporting date are included as disclosure notes to the financial statements. **At 31 December 2007 this policy had not been effected.**]

Contingent liabilities

[Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the ministries and Government agencies. Contingent liabilities may also comprise present obligation that arise from past events but are not recognised either because it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligations or the amount of the obligations cannot be measured with sufficient reliability.]

[Contingent liabilities are included in the disclosure notes. **At 31 December 2007 this policy had not been effected.**]

Commitments

[Commitments represent goods and services that have been approved and/or contracted, but where no delivery has taken place at the reporting date.

Commitments are not recognised in the statements of receipts and payments as liabilities or as expenditure rather are included in the disclosure notes to the financial statements. **At 31 December 2007 this policy had not been effected.**]

(h) Borrowings

[Borrowings comprise cash inflows from banks, similar lending agencies and commercial institutions as well as amounts owing in respect of non – cash assistance provided by third parties. **At 31 December 2007 this policy had not been effected.**]

(i) Payments by other Government ministries and entities

[Payments made by other Government and State ministries and entities apart from the Ministry of Finance and Economic Planning in Juba outstanding/unknown.]

(j) Payments by external third parties

[Payments made by other external third parties for goods and services outstanding/unknown, apart from CBTF and MDTF.]

(k) Transfers

Amounts are transferred to eligible recipients in accordance with the operating mandate and authority of the Ministry of Finance and Economic Planning in Juba.

2. NET OIL REVENUES

- a) Oil revenues relate to cash amounts received by the Government of Southern Sudan transferred by the Government of National Unity, Khartoum, on account of crude oil sale proceeds, net of direct expenditures deducted at source as reported in the Petroleum Unit's Oil Revenue Report for the year ended 31 December 2007 and shown below:

	USD
Export and local crude oil receipts	1,292,785,868
ORSA drawdown	<u>133,755,228</u>
Oil revenue receipts per GoSS bank statements	1,426,541,096
Add:	
Transportation costs (local and export crude) per Oil Revenue Report	
170,080,000 Administration costs (local and export crude) per Oil Revenue Report	60,400,000
ORSA* - contribution to change to new currency	48,650,000
Direct expenditures per Oil Revenue Reports (Note 2 (d) – Page 14)	<u>43,960,000</u>
	<u>323,090,000</u>
“Gross” oil revenue receipts	<u>1,749,631,096</u>

ORSA - Oil Revenue Stabilisation Account*

b) Reconciliation of oil revenue receivable to GoSS at 31 December 2007

A reconciliation of gross oil revenues due to GOSS as at 31 December 2007 per the Oil Revenue Report to cash identified as received by GoSS shows **USD 383,059,622 (Page 13)**, excluding the effect of any amounts received directly by the States with respect to the 2% oil share or other oil revenue transfers, as still due to GOSS for the years 2005 to 2007 made up as follows:

i) 2007 oil receivable analysis	USD
GOSS share of net Crude Oil Export Revenue	1,061,450,000
GOSS Share of net Local Crude Oil Revenue	396,380,000
Oil revenues deducted at source - transportation costs	170,080,000
Oil revenues deducted at source - administration costs	60,400,000
ORSA - Share drawn by GOSS	203,630,000
2% Unity State oil revenue	37,200,000
2% Upper Nile State oil revenue	<u>22,310,000</u>
	<u>1,951,450,000</u>

Transfers to GoSS bank accounts	(1,426,541,096)
Transportation costs (local and export crude oil)	(170,080,000)
Administration costs (local and export crude oil)	(60,400,000)
Contribution to change to new currency deducted through ORSA	(48,650,000)
Direct expenditures by Federal Ministry of Finance (Note 2 (d))	(43,960,000)
Direct receipts of 2% revenue by States [Unknown]	_____ -
“Gross” oil revenue receipts-Note 2(a)	<u>(1,749,631,096)</u>
Un-remitted oil revenues-2007	<u>201,818,904</u>
ii) 2006 outstanding amounts	USD
2006 oil revenues outstanding as at 1 January 2007	55,041,225
Less: 2006 arrears paid in 2007	_____ -
Un-remitted oil revenues –2006	<u>55,041,225</u>
iii) 2005 outstanding amounts	USD
2005 oil revenues outstanding as at 1 January 2007	68,600,000
Less: 2005 arrears paid in 2007 for road construction	<u>(24,000,000)</u>
2005 oil revenues unpaid–earmarked for road construction (Note a below)	44,600,000
2005 Unity State 2% oil revenues (Note b below)	18,590,000
Less: 2005 2% oil revenue arrears shown as paid in 2006	<u>(14,880,000)</u>
2005 2% oil revenues unpaid	3,710,000
2005 direct expenditures to be refunded to GoSS (Note c below)	<u>77,889,493</u>
Un-remitted oil revenues –2005	<u>126,199,493</u>
Total un-remitted oil revenues –2005, 2006 and 2007	<u>383,059,622</u>

Notes

- 1 According to the Petroleum Unit’s Oil Revenue Report at 31 December 2007, **USD 80.6 million** relating to 2005 revenues was still outstanding from the Ministry of Finance and National Economy. This amount was earmarked for road construction and as at 31 December 2007 **USD 36 million** out of the US\$ 80.6 million was paid towards the construction of the Aweil Miriam road.

- 2 At 31 December 2005, **USD 18.59 million** relating to the 2% oil revenue share due to Unity State, for 2005, was shown in the Petroleum Unit's oil revenue report as outstanding as owed by the Federal Ministry of Finance. Of this amount, **USD 14.88 million** was received in 2006. No additional amounts were shown in the oil revenue reports as having been remitted in 2007.
- 3 The amount of **USD 77,889,493** relates to expenses deducted by the Federal Ministry of Finance and charged to GoSS in 2005. This amount has been confirmed in the Petroleum Unit's report and was to have been repaid by end of November 2006. However, the Petroleum Unit's report for February 2008 indicates that settlement of this amount has not been agreed upon.
- 4 Any oil proceeds paid directly to Unity and Upper Nile States with respect to the 2% payable to oil producing states by the Federal Ministry of Finance and National Economy have not been incorporated in these financial statements.

c) Reconciliation of oil revenue transfers to GoSS at 31 December 2007

USD

Actual transfers to GoSS bank accounts	1,426,541,096
Transfers to bank accounts per the 2007 Petroleum Unit Oil Report	<u>(1,540,650,000)</u>

Un - reconciled oil receipts **(114,108,906)**

d) Direct expenditure

According to the Petroleum Unit report, the amount of **USD 43,960,000** reported below, comprises payments made by the Federal Ministry of Finance in Khartoum on behalf of GoSS. The amounts have not been allocated to specific line items in these financial statements, nor processed in the general ledger, as their acceptance by GoSS is subject to review of related documents.

	USD
Customs duty	20,140,000
Durra (Sorghum)	6,900,000
Higher Education	5,980,000
Development of Human Resources	5,000,000
Export Development Bank	3,720,000
Malakal Vocational Training Institute	320,000
Constitutional obligations	400,000
Southern Sudan Development Corporation	<u>1,500,000</u>
Total	<u>43,960,000</u>

At the time of this report, the supporting documents for the above expenditure were outstanding.

3. NON-OIL TAX REVENUES

Collecting ministry/agency	Description	USD
Ministry of Finance and Economic Planning	Personal income taxes and VAT	3,193,833
Ministry of Roads	Fees and charges	485,494
Judiciary of Southern Sudan	Court fees	309,644
Ministry of Legal Affairs	License fees	143,995
Ministry of Telecommunications	License fees	19,246
Ministry of Agriculture	License fees	32,087
Ministry of Commerce	License fees	21,452
Urban Water Corporation	Fees and charges	2,228
Ministry of Health	Fees and charges	15,210
Ministry of Industry and Mining	License fees	9,808
Ministry of Information	Fees and charges	<u>1,905</u>
		<u>4,234,902</u>

4. BANK INTEREST INCOME

Omdurman Bank	1,310,290
Bank of Khartoum	123,605
Stanbic Bank	<u>100,395</u>
	<u>1,534,290</u>

5. FOREIGN EXCHANGE GAINS/LOSSES

The foreign exchange gains and losses amounts of **USD 815,614** and **USD 2,045,480** respectively relate to gains and losses, arising from translation of month-end bank account balances denominated in Sudanese Pounds - SDG (previously Sudanese Dinnars-SDD), Kenyan Shillings (KShs) or Euros to US dollars. The comparative exchange rates as at 31 December 2006 and 31 December 2007 are as follows:

	Exchange rate 31 December 2007	Exchange rate 31 December 2006
1USD/SDD/SDG	2.03	202.48
1USD/Kshs	67.11	69.40
1USD/Euro	1.44	1.32

6. SUSPENSE - RECEIPTS PENDING FURTHER INFORMATION & EXPLANATIONS

a) Bank of Sudan Juba Branch-SDG account 6919/1000/3 [main GoSS current account]

Bank statement date	Details of transactions	Amount SDD/SDG	Amount USD
18-June-07	Transfer into Bank of Sudan account (SDG) 6919/1000/3 reflected in the bank statement - No details of receipt.	SDD (1,988,929)	(9,917)
26-Oct-07	Cash deposit into Bank of Sudan bank account (SDG) 6919/1000/3 - No details of receipt.	SDG (67,600)	(33,152)
			(43,069)

b) Bank of Sudan Juba Branch-SDG account 6919/1000/2 [Consolidated Fund Account]

Bank statement date	JV	Details	Amount SDG	USD	KPMG comment
27-August-07	12363	Transfer of funds into BoSS A/c 6919/1000/2 from Khartoum B/O Islamic Co-op Development Bank. No details of receipt.	(519,153)	(258,852)	GoSS should facilitate access to details of and explanations for this transaction. As this account is used for collection of oil revenue proceeds, this amount might relate to oil revenue.
15-August-07	12368	Transfer of funds into BoSS A/c 6919/1000/2 from BoSS A/c 6919/4007/002*. No details of receipt. * - Ownership and	(1,202,960)	(599,801)	

Bank statement date	JV	Details	Amount SDG	USD	KPMG comment
		mandate of this account not clear – no statements availed to KPMG – see further information in Note 32 – Cash Balances.			GoSS should facilitate access to details of and explanations for this transaction.
			(1,722,113)	(858,653)	

c) Bank of Sudan Juba Branch (USD) - account 6921/1000/7 [current account]

Bank statement date	Chq No./ TL No.	Details of transactions	Amount USD	KPMG comment
20-Dec-07	TT	Transfer into account 7- No details of receipt.	(1,216,940)	GoSS should facilitate access to details of and explanations for this transaction.

d) Bank of Sudan Juba USD account 6919/1000/12 [SDG current account]

Bank statement date	JV	Details	USD	KPMG comment
9 July 2007	13848	Transfer of funds from BoSS USD account A/c 541 – 20001-01-02*	(37,000,000)	GoSS should facilitate access to details of and explanations for this transaction.
10-Sept-2007	13821	Transfer of funds from BoSS USD account A/c 541 – 20001-01-02*	(6,700,000)	
1-Aug-2007	13742	Transfer of funds from BoSS USD account A/c 541 – 20001-01-02*	(19,140,229)	
			(62,840,229)	

e) Stanbic Bank USD account

Bank statement date	JV	Details	USD	KPMG comment
10-Sept-2007	13845	Transfer of funds from BOSS USD account A/c 541 – 20001-01-02*	(3,000,000)	GoSS should facilitate access to details of and explanations for this transaction.
			(3,000,000)	

7. SUSPENSE – PAYMENTS PENDING FURTHER INFORMATION & EXPLANATIONS

a) Bank of Sudan Juba Branch-SDG account 6919/1000/3 [main GoSS current account]

Bank statement date	Chq No./ TL No.	Details of transactions	Amount SDD/SDG	Amount USD
<i>Standing order deducted monthly for L.G no. AT/6/2006 to Omdurman National Bank Khartoum</i>				
24-Jan-2007	Letter of guarantee (LG)	Standing order – Being amount deducted monthly for L.G no. AT/6/2006 Transfer to Omdurman National Bank Khartoum Branch. C/O Cable & Comm.	SDD 649,420,600	3,228,539
13-Feb-2007	Letter of guarantee (LG)	Standing order – Being amount deducted monthly for L.G no. AT/6/2006 Transfer to Omdurman National Bank Khartoum Branch. C/O Cable & Comm.	SDD 649,420,600	3,238,198
9-Mar-2007	Letter of guarantee (LG)	Standing order – Being amount deducted monthly for L.G no. AT/6/2006 Transfer to Omdurman National Bank Khartoum Branch. C/O Cable & Comm.	SDD 649,420,600	3,228,539
10-April - 2007	Letter of guarantee (LG)	Standing order – Being amount deducted monthly for L.G no. AT/6/2006 Transfer to Omdurman National Bank Khartoum Branch. C/O Cable & Comm.	SDD 649,420,600	3,238,682
12-Nov-07	Letter of guarantee (LG)	Standing order – Being amount deducted monthly for L.G no. AT/6/2006 Transfer to Omdurman National Bank Khartoum Branch. C/O Cable & Comm.	SDG 12,986,400	6,382,778
12-Dec-07	Letter of guarantee	Standing order – Being amount deducted monthly for L.G no.	SDG 12,986,400	6,397,241

Bank statement date	Chq No./ TL No.	Details of transactions	Amount SDD/SDG	Amount USD
	(LG)	AT/6/2207 Transfer to Omdurman National Bank Khartoum Branch. C/O Cable & Comm.		
Sub total – see other related payments on Note 7(e)				25,713,977
<i>Other payments</i>				
12-Feb-2007	735	Cheque to Betty Dawa –Out of total cheque amount of SDG 7,764,260, supporting documents for SDG 1,375,000 not availed.	SDD 1,375,000	6,852
5-Mar-07	798	Rieldit Company Ltd –Out of total cheque amount of SDG 607,029,360, supporting documents for SDG 104,259,735 not availed.	SDD 104,259,735	519,869
5-Mar-07	797	Cheque to Alok Co. Ltd – supporting documents not availed.	SDD 414,840,000	2,063,534
6-Mar-07	TL 11	Ministry of Transport & Roads expense. Supporting documents not availed	SDD 21,410,400	106,758
6-Mar-07	TL 11	Ministry of Gender expense. Supporting documents not availed.	SDD 3,961,212	19,752
6-Mar-07	TL 11	Employee Justice Chamber Commission expense. Supporting documents not availed.	SDD 2,859,200	14,257
13-Mar-07	847	Finance Ministry cash payment – Supporting documents not availed.	SDD 60,000	299
13-Mar-07	TL 15	Supporting documents not availed.	SDD 447,918	2,232
19-April-2007	696	Cabinet affairs’ various claims- Supporting documents not availed	SDD 6,281,600	31,327
19- April-2007	697	Donations for Bar-el Ghazel University- Supporting documents not availed.	SDD 22,000,000	109,715

Bank statement date	Chq No./ TL No.	Details of transactions	Amount SDD/SDG	Amount USD
19-April-2007	701	DSA for the Secretariat General- Supporting documents not availed.	SDD 2,585,000	12,891
15-Aug-07	TL 61	Advance to Ministry of Presidential Affairs – No further details of payment	SDG 300,000	149,581
10-Sept-07	1341	Equipment and foreign travel (Sea Tape for Trading & Investment Ltd). Out of total cheque amount of SDG 6,955,680, supporting documents for SDG 5,801,080 not availed	SDG 5,801,080	2,862,187
24-Oct-07	1766	Benefits and emoluments. Supporting documents not availed	SDG 75,100	36,830
29-Nov-07	TL 134, 135	Supporting documents not availed	SDG 70,483	34,642
30-Nov-07	TT	Erroneous debit by Bank of Southern Sudan (Reversed in January 2008)	SDG 306,000	150,398
13-Dec-07	TL 43	SPLM refund – pre-interim period	SDG 10,000,000	4,926,108
20-Dec-07	TL17	Transfer to Abyei Local Board, account No. 6912/4038/01	SDG 2,259,898	1,113,250
28-Dec-07	TT	Transfer to account No. 6920/7020/02. No other details of the transfer.	SDG 2,044,215	1,007,002
18-Dec-07	2041	Excess payment to Southern Sudan Legislative Assembly – Out of total cheque amount of SDG 2,550,966 supporting documents totalled to SDG 2,379,930.	SDG 171,036	84,254
17-Dec-07	1951	Payment of rent by Peace Commission. Supporting documents not availed.	SDG 96,000	47,290
Sub total			13,347,636	13,299,028
Total				39,013,005

b) Bank of Sudan Khartoum SDG account 6919/1000/22 [oil revenue current account]

Bank statement date	EV	Details	USD
20 March -07	3821	Transfer from account 22 missing in bank statements. No details of payment.	80,509

c) Bank of Sudan Juba Branch SDG account 6919/1000/2

Bank state-ment date	Details	USD
	<i>Standing order deducted monthly for L.G no. AT/6/2006 to Omdurman National Bank Khartoum</i>	
14-May-2007	Monthly deduction for Letter of Guarantee No. L/G 2/2006 (Aweil Miriam Road Monthly deduction)	3,237,875
11-June-2007	Monthly deduction for Letter of Guarantee no. L/G 2/2006 (Aweil Miriam Road Monthly deduction)	6,475,571
10-July-2007	Monthly deduction for Letter of Guarantee no. L/G 2/2006 (Aweil Miriam Road Monthly deduction)	6,476,863
13-August-07	Monthly deduction for Letter of Guarantee no. L/G 2/2006 (Aweil Miriam Road Monthly deduction)	6,475,568
10-Sept-07	Monthly deduction for Letter of Guarantee no. L/G 2/2006 (Aweil Miriam Road Monthly deduction)	6,407,342
10-October-07	Monthly deduction for Letter of Guarantee no. L/G 2/2006 (Aweil Miriam Road Monthly deduction)	6,368,937
Sub-total		35,442,156

- - Total payments made under Letter of Guarantee no. L/G 2/2006 is **USD 61,156,133**.

d) **Bank of Sudan Juba USD account 6921/1000/7 [USD current account – oil revenue]**

Bank statement date	EV	Details	USD
16 July 2007	4482	Transfer of funds from BoSS accounts 6921/1000/7 to BoSS USD A/c 541 – 20001-01-02* (Payment details unknown).	670,000

e) **Bank of Sudan Juba USD account 6919/1000/12 [SDG current account]**

Bank statement date	EV/JV	Details	USD
12 Sept 2007	13809	Transfer of funds from BoSS USD account A/c 541 – 20001-01-02* to 6921/1000/12 to (Payment details unknown)	7,000,000
29 Oct 2007	13811	Transfer to 6912-4006-12 (No details of payment)	174,324
29 Oct 2007	13812	Transfer to Ivory Bank (No details of payment)	2,000,000
30 Oct 2007	13815	Transfer of funds from 6921/1000/12 to BoSS USD account A/c 541 – 20001-01-02* (No details of payment)	500,000
12 Sept 2007	13842	Transfer of funds from 6921/1000/12 to BoSS USD account A/c 541 – 20001-01-02* (No details of payment)	30,000,000
			39,674,324

8. SALARIES

USD

GoSS Ministries and Commissions	212,310,008
SPLA	<u>404,192,502</u>
	616,502,510
States: conditional grants, analysed below *	<u>117,500,995</u>
	<u>734,003,505</u>

States	Conditional grants				Block grants (Note 20) USD	Total grants to States USD
	Ministry of Education USD	Ministry of Health USD	Ministry of Animal Resources USD	Total* USD		
	Central Equatoria	14,339,275	1,569,455	337,739		
Eastern Equatoria	9,805,936	1,415,097	337,739	11,558,772	20,523,133	32,081,905
Western Equatoria	10,754,152	1,415,097	337,739	12,506,988	20,477,447	32,984,435
Upper Nile	11,498,448	1,569,455	337,739	13,405,642	18,052,236	31,457,878
Jonglei	9,383,562	1,415,100	337,740	11,136,402	19,970,474	31,106,876
Unity	5,997,149	1,415,097	337,740	7,749,986	18,959,567	26,709,553
Western Bahr el Ghazal	5,746,071	1,965,107	337,739	8,048,917	21,657,587	29,706,504
Northern Bahr el Ghazal	11,502,867	2,173,864	623,721	14,300,452	18,889,570	33,190,022
Lakes	10,282,665	1,660,323	337,740	12,280,728	19,942,443	32,223,171
Warrap	8,513,792	1,415,101	337,746	10,266,636	19,350,833	29,617,472
Total	97,823,917	16,013,696	3,663,382	117,500,995	195,797,811	313,298,806

9. DOMESTIC TRAVEL, ACCOMODATION AND ALLOWANCES **USD**

Accommodation costs - Special task force on Darfur Peace Talks	3,095,585
Presidential visits to the States	1,305,585
Repatriation of internal displaced persons from the North	2,476,637
Presidential mission in Nairobi	1,056,715
Travel allowances to Members of Parliament during recess	349,022
Air charters to ferry Chiefs back home from the North	274,287
Air charters by SPLA during tour around Southern Sudan	199,442
Visits to States to collect data by Ministries of Education	183,962
Accommodation and meals for Deputy Chief of Staff-SPLA	155,300
Advance to Anti-Corruption for travel expenses	151,178
Juba Declaration - travel costs	135,583
Travel and meal costs during the integration of SSDF with the SPLA	119,034
Advances for domestic travel to Council of Ministers, Vice Presidents office, Office of the President, Presidential affairs in May 2007	105,526
Travel advance for the Southern Sudan Legislative Assembly	551,669
Air charters by the Judiciary of Southern Sudan	73,164
Ministerial delegation to Khartoum for a joint GONU/GoSS meeting in June 2007	58,431
Air charters during Transport Minister's tour to the States	55,187
Ministers' travel to Khartoum to attend the National Census Meeting	49,362
Travel costs by MOFEP officials to Khartoum for a Macro-Economic Policies Workshop	41,293
SPLM Constitutional review travel costs	40,013
Delegation attending the Sudan Consortium II in Khartoum	33,146
Travel by the Vice President and Ministers to Khartoum for a joint GONU/GoSS meeting in May 2007	32,757
Oil Revenue Monitoring Committee costs in Khartoum (April & May 2007)	26,230
Travel to States for a survey of Faith Based Organisations - Ministry of Gender Social Welfare and Religion	24,929
Hire of aircraft by Ministry of water resources	23,555
Allowances for the Vice President and Members of Parliament during visit to Unity State	21,943
Trip to Khartoum for GONU-GoSS meeting	19,986
GoSS delegation to Khartoum to discuss CPA implementation	19,056
SSDDRC officials travel costs during the recruitment plans	15,896
Accommodation for Federal Minister of Health	47,736
National Fiscal Meeting in Khartoum	14,565
Air tickets and allowances for the National Constitutional Review Commission	79,545
Accommodation of delegates during 2007 CPA anniversary celebrations	304,641
Travel allowances for revenue and security staff deployed to field stations	108,555
Umbororo Chiefs-accommodation costs	134,581
Budget for travel to Wau during 2008 CPA anniversary celebrations	49,656
Air charter from Juba to Mankien and Tharjiath by the Vice President	52,787

Follow up on land for building State Assemblies	88,469
Air tickets for Ministry of Interior staff	46,819
Vice President's air charter to flood areas in Upper Nile	36,778
Travel advance for Ministry of Wildlife and Environment	39,304
Other (comprising items less than USD 20,000)	1,283,387

12,981,296

10. RENT AND HIRE COSTS

USD

Rent - senior officers - Ministries and Commissions	5,614,845
Rent - SPLA headquarters	600,265
Rent - liaison offices abroad - Kenya, South Africa and Ethiopia	2,173,475
Rent - President's Nairobi house	171,000
Air charters in May and June 2007 by SPLA	1,093,846
Vehicles hire - Southern Sudan Security Committee meeting in Bor	150,890
Vehicles hired - North-South border committee	84,510
Vehicles hired - facilitation of PRM/A forces in SPLA	53,202
Other	241,697

10,183,730

11. TRAINING

USD

Various SPLA trainings	1,412,364
Kenya College of Accountancy - training and accommodation for teachers	1,096,273
Training of police officers transferred from SPLA	681,495
Local Government administration training in South Africa	317,200
Diplomatic training in South Africa	231,238
Training of County Commissioners in South Africa	262,838
Training costs for the Ministry of Legal Affairs	218,740
Capacity building workshop on leadership for Ministry of Parliamentary Affairs	199,442
Training in South Africa for public finance officials	196,366
Training of air traffic controllers in Nairobi	107,052
Advance for training expenses-Anti Corruption Commission	104,180
Training of judges and support staff in Nairobi	99,726
Southern Sudan's Women Conference on Participation and Empowerment	198,394
Training of thirty women in horticulture	93,435
Consultation workshop on gender policy framework	84,780
Training of Judiciary of Southern Sudan in Nairobi	73,664

Training of Director Generals of the States in Kenya	69,893
Pension and Social Insurance Management training in Khartoum	52,575
Parliamentarians Capacity Building Workshop	49,858
Workshop for monitoring and evaluation	41,346
Petroleum management course in Norway	38,386
Training of Legislative Assembly staff	11,966
Workshop on Human Rights Commission Bill 2007	57,170
Juba Health Science training	53,165
Training of Human rights staff on human rights activities	50,846
Survey of efficiency costs - GoSS Ministries	38,252
Public lecture on Abyei Border Commission and North – South Border	71,426
Training and capacity building for ministry staff from all States	29,130
Training for health institutions in Juba & Malakal	941,300
Gender Policy Framework consultation workshop in the States	379,310
Advance for training costs - Southern Sudan Legislative Assembly	450,620
Workshop and head count of War Disabled and Widows in the 10 States	172,414
Accommodation during the National Conference Training for Parliamentary Affairs	147,449
Workshop to launch programs aimed at raising funds for the rehabilitation and reconstruction of infrastructure in Southern Sudan	121,778
Training GoSS Ministry of Legal Affair staff by GONU Staff	95,547
Training of Ministry of Information Engineers, and Technicians	168,368
Capacity building for newly recruited staff of SSDDR Commission	63,998
International Trade fair, Nyakuron Cultural Centre	342,045
Edward Arike, Taban Charles and Emmanuel Ador study in Kampala and South Africa	62,801
Workshop to Identify Hospital equipment .needs	60,688
Training of Undersecretary for Ministry of Agriculture and Forestry in USA and forestry officer at Kagulu at Yei Crop Training Centre	56,914
Training - basic Cooperatives Management	41,481
Livestock coordination meeting	33,761
Workshop on building regulations	29,656
CPA monitoring promotion symposium	27,465
Launching of strategic planning for the Peace Commission	21,691
Tutors allowances - Health Science Training Institute, Malakal	128,747
Training and commissioning of television equipment	105,902
Training of sports carnival trainers in preparation for CPA celebrations	24,998
Capacity building for Office of the President’s staff	492,610
Other	799,586

10,710,329

12. HOSPITALITY**USD**

National celebrations - anniversary of the CPA	4,263,019
Accommodation cost of SPLA political delegates	361,966
State visit by H.E. the President of South Africa	329,144
United Nations Secretary General's visit to Juba	174,511
Sixth Sudan-German Investment Forum	61,028
Celebration of 2 nd anniversary of H.E. the late Dr. John Garang's death	160,356
Education of H.E. the late Dr. John Garang's children	46,589
Accommodation for the Pibor delegates	158,317
Accommodation - General Paulino Matip's delegates costs in Juba	344,673
Peace reconciliation conferences in the States	107,891
Inauguration of the Assembly for its first session in 2007	47,216
Accommodation of Government delegation from Khartoum	11,966
Accommodation for various Presidential guests	343,812
Welcoming GoSS President from USA	172,024
Advance for hospitality costs – Council of Ministers	162,564
Accommodation for guests visiting the Ministry of Health	124,408
Publicity of the third CPA accord celebrations	78,079
Other	382,425
	<u>7,329,988</u>

13. SPECIALISED MATERIALS AND SUPPLIES**USD***SPLA*

Food supplies	74,900,273	
Boots and uniforms	17,712,343	
Canned food	1,494,000	
Biometric cards	910,422	
Supply of cutlery	930,961	
Medicines	2,459,761	
Supply of drugs	444,742	
Badges	328,261	99,180,763
Transport and food to Joint Integrated Unit (JIU) forces		2,850,159
Food - petroleum police		343,622
Response plan - epidemic of Meningitis and other diseases		1,533,524
Assorted seeds for Ministry of Agriculture		2,086,569
Uniforms for the game rangers		402,605
Text books for secondary schools		303,212
Service cards for the Police		249,302
Clothing for Presidential security		42,925
Distribution of drugs to States by Ministry of Health	138,743	
Other		394,131

107,525,555**14. OFFICE AND GENERAL SUPPLIES****USD**

SPLA Service funds		18,922,617
<i>Ministries and Commissions:</i>		
40% operational expenses	6,812,179	
25% operational expenses	6,275,912	
Other operational expenses transfers	497,042	13,585,133
Advance for operating costs - Southern Sudan Legislative Assembly		941,800
Special service funds - Office of the President		249,352
Support costs - GoSS Liaison Office in Washington D.C.		200,000
Advance for operating expenses Upper Nile and Juba universities		303,075
Yei President's headquarter offices		82,136
Staff mess rent for Southern Sudan Anti-Corruption Commission staff		48,870
Operating cost for Petroleum Unit Office in Khartoum		14,959
Other		420,247

34,768,189

15. FUEL AND LUBRICANTS	USD
Fuel and lubricants - SPLA	1,813,676
Fuel and lubricants - Ministries and Commissions	3,257,754
Fuel for Juba power station	4,219,077
Other	170,633
	<u>9,461,140</u>

16. VEHICLE MAINTENANCE	USD
Repairs/service of vehicles - SPLA	1,482,456
- Ministries and Commissions	1,239,322
Other	147,469
	<u>2,869,247</u>

17. OTHER MAINTENANCE	
Upkeep of residences - President, Vice President, Minister for Transport and SPLA Deputy Commander in Chief	1,111,056
Installation of generator and other equipment	25,921
Advance for repair expenses for the President's and Vice President's offices	19,948
Repair of fence - Ministry of Finance	11,782
Programming of computers and photocopiers	11,703
Repair - Juba International Airport – Stadium Road	9,916
Maintenance of Juba-Nimule and Juba Yei roads	174,880
Partitioning and repairs of South Sudan Disarmament, Demobilisation and Reconstruction Commission offices	20,691
Maintenance of Joint Integrated Units Headquarters	26,056
Curtains for the Minister of Presidential Affairs' house	21,827
Maintenance of water pumps for Directorate of Irrigation at Upper Nile (Renk)	24,133
Advance for maintenance expenses for Ministry of Wildlife and Environment	14,739
Other	184,336
	<u>1,656,988</u>

18. OTHER OPERATING EXPENSES**USD**

<i>Security</i>	
President's Special Security fund	9,407,544
National Security Intelligence Service budget	6,899,662
Juba Declaration for Unity – Integration Security Forces costs	3,918,423
Ceasefire Joint Military Committee's budget	1,919,575
Advance - security Office of the President, Vice President	887,538
National security meeting in Juba	149,581
Security operation along the Southern Sudan highways	197,355
Security and hire of vehicles during escort of Dinka cattle camps from Juba to Bor	1,523,678
Security operation in Juba town	246,694
Integration of Pibor and Umburoro Defence Forces	375,955
Petroleum Police deployment	294,247
Central Equatoria/Jonglei States Peace and Reconciliation meeting	208,914
Military and political delegation from Western Kordofan	262,111
Accommodation of special police forces awaiting deployment	245,652
Urgent security operations by Security Bureau	197,045
Food for South Sudan Defence Forces during integration	2,966,319
Bank charges and commissions	8,651,116
Medical assistance - Government staff	3,301,556
Registration of war victims-Demobilisation Disarmament and Reconstruction	993,845
Professional services	826,717
Compensation to Presidential advisor for wrongful possession of his house	302,703
Transport of food items to SPLA Forces in Pibor	224,372
Transport of SPLA forces from Jalhak to Sambe	337,538
Screening Local Government administration staff in the States	240,151
Budget support to Abyei Local Area Administration	245,749
Advance to Southern Sudan Legislative Assembly for other operating costs	699,606
GoSS Committee on Internally Displaced Persons	98,082
GoSS Committee for reviewing Government contracts	53,960
GoSS Committee to investigate Government Unity	66,304
Establishment of personnel selection in police head quarters	135,961
Transportation of equipment and furniture from Khartoum	25,696
Advance to ministries for 2008 budget preparation	174,096
Other (comprising items less than USD 25,000)	2,918,488
	<u>48,996,233</u>

19. LOAN TONILE COMMERCIAL BANK (NCB)	USD
Transfer on 19 June 2007 (SDD 400 million)	2,000,000
Transfer on 11 December 2007 (SDG 2 million)	1,000,000
	<u>*3,000,000</u>

The above amounts relates to transfers made by MOFEP at the request of Bank of Southern Sudan (BOSS) to Nile Commercial Bank (NCB) to strengthen NCB's liquidity.

[At the time of this report, the details of the terms and conditions of this loan were outstanding]

20. TRANSFERS TO STATES AND COUNTIES	USD
Block grants (Note 8)	195,797,811
Gratuity - former States' Commissioners	5,540,267
Boreholes drilling in Northern Bahr el Ghazal	1,061,029
Establishment of States Offices for Census and Statistics Commission	669,945
Service funds - States' Prisons Departments	124,285
Women's Day celebrations in the States	99,727
Loan to Upper Nile State	99,428
Other	275,999
	<u>203,668,491</u>

21. SCHOLARSHIPS	USD
Bursaries to students	1,493,914
Returnee students	1,976,964
Scholarship to Dr. P Ajak	97,340
Scholarship programs for Ministry of Legal Affairs staff	38,916
Other	124,140
	<u>3,731,274</u>

22. EMERGENCY REFUGEE ASSISTANCE	USD
Travel costs - repatriation of the internally displaced from the North	2,487,805
Purchase of 75,000 bags sorghum (Durra) to Northern Bahr El Ghazal State	3,099,489
Advances for floods management in the States	2,474,316
Other smaller payments	592,597
	<u>8,654,207</u>

23. DONATIONS AND GRANTS

GoSS donation to Abyei local administration		1,012,538
Donation to Southern Kordofan Blue Nile and Abyei following floods		1,612,895
<i>President's donations</i>		
- Christmas		96,442
- Various institutions		81,332
- Catholic Diocese of Wau		65,979
- Army, prison, chiefs, spiritual leaders, women and youth in Nymalel.		182,554
- Waat County and Diocese of Rejaf		58,849
- Advance for donations		63,754
- Hon. Martin Majier children and Mr Martin Majut	35,800	584,710
Donation to small businesses in Juba		149,581
Donations to vulnerable groups - Ministry of Gender		74,805
Donations to five national leaders to resettle their families		49,339
Advance for donations (Office of President and Council of Ministers)		44,883
Donation - 2 nd All Collo Peace and Development Conference in Malakal		32,269
Donation to Southern Sudan Scouts delegation going to London		30,659
Donation to Youth Groups/Associations		19,944
Donation to basket ball teams		18,947
Funeral funds for Yambio soldiers		14,745
Donations to destitutes and widows		20,635
Donations to Mr. Abdel Bagi Akol and Mr. Bak Lual Bol to resettle their families		19,660
Donations to youth associations and workers		14,778
Donation for Mr. Mathew Obuor Ayang		24,627
Other donations (funeral, medical and travel costs)		846,371
		<u>4,571,386</u>

24. FURNITURE AND GENERAL EQUIPMENT

USD

School furniture - Ministry of Education	3,499,688
Office furniture-Office of the Vice President	255,700
Office furniture - Ministry of Industry-Kapoeta offices	52,474
Office Furniture - Southern Sudan War Disabled Women and Orphans Commission	50,209
Office furniture – Ministry of Environment	29,603
Office furniture - Liaison Office Khartoum	405,696
Office furniture - Ministry of Telecommunication and Postal Services	143,647
Office furniture and equipment - War Disabled, Widows and Orphans Commission	34,015
House furniture – Minister of Health's house	47,786
House furniture – Minister of Cabinet Affairs' house	40,275

House furniture - Presidents advisor's house	153,112
	4,712,205
Soil survey and water testing equipment - Ministry of Housing	1,482,008
Advance to Anti-Corruption office for purchase of furniture	27,253
Advance to Auditor General's office for purchase of furniture	157,884
Office equipment-Ministry of Information, Radio and TV	837,655
Office equipment - Owinykibul/Malu Training Centre	291,316
Computers - Housing and Interior Ministries	259,115
Laptops and other office equipment for Ministry of Culture	22,030
Fridges and televisions for the Ministry of Interior	19,735
Furniture for the new Presidential house in Juba	435,961
Furniture for the Vice President's residence	129,755
Office equipment for setting up Ministry of Animal Resources extension offices in Juba, Wau and Malakal	99,946
Office furniture –Southern Sudan Legislative Assembly	85,951
Television equipment - Ministry of information	82,207
Office furniture - GOSS Nairobi liaison office	78,818
Printers, Computers and other office equipments – Ministry of Education	78,415
Thuraya satellite phones and cards - Ministry of Legal Affairs	57,143
Office furniture - War Veterans Commission	35,270
Office furniture and fittings - Ministry of Education	28,818
Office and Minister's house furniture – Ministry of Water Resources	24,631
Furniture - Minister of Parliamentary Affairs house	24,525
Office furniture - Ministry of Youth Culture and Sport	23,627
VSAT Connection – Ministry of Interior, Prisons	294,266
Computers for Ministry of Information	19,750
Other smaller payments	1,290,244
	<u>10,598,528</u>

25. VEHICLES AND OTHER TRANSPORT EQUIPMENT

Ministry/Agency/ Supplier	USD
De-Mining Authority Golden Arrow Company Limited	233,894
Education, Science and Technology Seatape for Trade & Investment	451,695
Finance and Economic Planning FetFet General Trading Co. Limited Simicorp FZE Al-Burhun Company Elawlama Investment Contraction and Roads Company ltd.	56,699 383,353 129,559 <u>183,656</u> 753,267
Gender, Social Welfare and Religious Affairs FetFet General Trading Co. Limited	99,367
Housing, Lands and Public Utilities Simicorp FZE	2,596,175
Industry and Mining FetFet General Trading Co. Limited	154,739
Internal Affairs War Ferdet Trading & Investment Motor cycles	4,986 <u>16,753</u> 21,739
Investment Authority Advance per budget	71,258
Judiciary of Southern Sudan Trade & Investment Co. Limited	416,854
Southern Sudan FFAMC FetFet General Trading Co. Limited Director of Customs	53,154 <u>22,360</u> 75,514
War Disabled, Widows and Orphans Commission New Sudan Auto Limited Yar Alec for Transport Co. Limited	349,646 <u>129,643</u> 479,289
Water Resources and Irrigation Osman Ibrahim Ahmed Lugangsiri Trading Agency Ltd	64,780 <u>94,356</u> 159,136
Agriculture and Forestry Integrated Business Company	742,300
Investment Authority Additional cost on purchase of vehicles Amergal for Transport & Development Ltd	1,113 <u>129,153</u> 130,266
Public Grievances Chamber Lugangsiri Trading Agency Ltd	189,460
Employee Justice Chamber Akuei International Worldwide	33,904

Ministry/Agency/ Supplier	USD
Mr Kiir Thai Gip	<u>49,860</u> 83,764
Office of the President New Sudan Auto Ltd.	432,152
Office of the Vice President Amergal for Transport & Development Ltd.	62,420
SPLA Ariath Dit International for Development and Investment OMVIS Alok and Company Ltd KKT Transporters Ltd	1,757,840 450,000 1,595,812 <u>134,623</u> 3,938,275
Civil Service Commission Just in Time Co. Ltd	168,000
Council of Ministers New Sudan Auto Limited	453,820
Auditor General Lugangsiri Trading Agency Ltd	223,474
Regional Affairs New Sudan Auto Ltd Toyota East Africa	88,810 <u>150,000</u> 238,810
Presidential Affairs Golden Arrow Co Limited Lou Trading and Investment co. Ltd Amergal for Transport & Development Ltd	64,819 732,676 <u>258,822</u> 1,056,317
Anti corruption Advance for purchase of vehicles	49,417
Information, Radio and TV Nile Star Trading Agency	29,915
Legal Affairs and Constitutional Development Kiir Multi Business Enterprises	279,633
Health Marath Mohammed El Mamuon El Hassen	49,150
Transport Toyota Uganda	9,279
Youth, Culture and Sports El Nilein Engineering and Spare parts Co. Ltd	48,148
South Sudan Legislative Assembly Seaway Kenya Ltd	568,966
Other	221,226
	14,487,719

26. SPECIALISED PLANT, EQUIPMENT AND MACHINERY USD

Specialised earth moving/road equipment for SPLA –MOSD Equipments	41,130,522
Electrification cabling of Juba town	2,281,217
Engineering equipment - SPLA	1,443,699
Generator for Presidents advisor's house	116,673
Generators - Ministry of Housing	135,000
Water tanks	75,000
Generator for Malakal Water Station	127,507
Generators for Southern Sudan Reconstruction and Development Fund	36,006
Satellite TV and Radio Transmission Extension Project	5,357,887
Generators - President's and Vice-President's houses	433,498
Generators - Gumbo Radio Station	330,156
Agricultural equipment - Ministry of Agriculture	110,986
Other smaller payments	312,380
	<u>51,890,531</u>

27. RESEARCH, PROJECT PREPARATION, DESIGN AND SUPERVISION USD

Gibb Africa Holding Limited supervision fees	5,475,021
Hydro feasibility study- Fichtner GMBH	788,661
Feasibility study for Shukoli and Lakki Hydro Power Stations	664,030
Study on introduction of hydro power - independent power producers in Southern Sudan	90,000
Capital costs – equipment for Avian Influenza Emergency Preparedness Programme	243,975
Preparation, research, design and supervision of State libraries	46,869
Advance for preparation of the 2008 population census	2,952,029
Other smaller payments	400,232
	<u>10,660,817</u>

28. CONSTRUCTION AND CIVIL WORKS

<i>Construction of GoSS houses</i>		
- Lot 1 - (Covec)	675,628	
- Lot 4 - (Covec)	1,814,811	
- Lot 5 - (Dott services)	3,304,975	5,795,414
<hr/>		
Construction of offices for the Ministry of Commerce		
Trade and Supply		519,211
<hr/>		
Construction of Prefabricated houses for the Judiciary		
- Advanced Design & Development Limited		76,482
<hr/>		
Prefab. offices for Ministry of Information, Radio and TV- UNOPS		596,896
<hr/>		
Prefab. building (Ministry of Animal Resources) – RA International	437,544	
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Construction advance for Demining Commission		
- Kano for Trading Investment		169,525
<hr/>		
Civil works - Juba roads - Civil Engineering Company International (CEC)		6,804,011
<hr/>		
Civil works - Juba Airport - Blue Magnolia		3,644,416
- Civil Engineering Company International (CEC)		2,680,389
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Down payment - construction of Agany Women's Centre - NPA		1,200,000
<hr/>		
Construction of offices in Rumbek, Juba and Jonglei for the centre for census and statistics		783,304
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Warrap Prison headquarters		686,504
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Construction of Ramshel military barracks (Piccini Juba Corporation)		10,000,000
<hr/>		
Military training school in Mapel (Belgravia Services Limited)		2,800,000
<hr/>		
Dredging of Nile river and building shipyard-Damen Shipyard Gorinchem		2,000,000
<hr/>		
Lainya to Jambo road (Payii Constructors)		1,028,111
<hr/>		
Construction of Juba Bridge - Sudken International Ltd	1,008,159	
- Kenya Ports Authority demurrage costs	498,604	1,506,763
<hr/>		
Boundary walls- General Manager-Prisons -Mayendit for Trading & Investment Ltd		398,883
<hr/>		
Lainya Comprehensive Mechanical Workshop-Sembel Company Ltd		349,023
<hr/>		
Fencing, water system and landscaping -Ministry of Animal Resources (NA Projects International Ltd)		187,488
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Construction of shop for War Veterans Commission		490,412
<hr/>		
Septic tank and perimeter wall-Judiciary-Trax Construction Ltd		124,582
<hr/>		
Drilling of 63 boreholes		327,105
<hr/>		
Drilling boreholes - Adubar Co. Ltd		137,941
<hr/>		
Construction of prefabricated building for Ministry of Information		293,486
<hr/>		
Advance for construction of offices - De-Mining Authority		174,626
<hr/>		
Advance for construction of pit latrine - Judiciary of Southern Sudan		21,942
<hr/>		
HIV/AIDS Commission office and chain link fence- HA Construction Company		43,886
<hr/>		
Prefab. buildings for Ministry of Housing - Danish Camp		1,014,690
<hr/>		
Construction works for the SPLA - Alok Company Limited		2,467,529
<hr/>		
Office for Minister Internal Affairs, renovation of offices and lodging for police		

officers - Macham Commercial Enterprises	1,374,191
Purchase of constructed office block - Ala Aldin Mohammed	388,283
Construction of 30 offices for SSLA Chairpersons and their deputies - Golden Nest International group Ltd	295,567
Offices for Southern Sudan Financial Fiscal Allocation Monitoring Commission - Abakar Ali Mansour	197,044
Fencing of Juba power station - Thunderbolt T S Co. Ltd	182,946
Construction of Malakal Medical Stores - Awlad Al Mak Investment and Services Company Ltd.	95,912
Evaluation of bids	7,328
Other smaller amounts	1,392,664
	<u>50,694,098</u>

29. REHABILITATION AND RENOVATION OF ASSETS **USD**

Renovation of offices in female prison and fence maintenance (Mayerdit for trading and investment-)	1,402,059
Repairs of three machines at Juba power station – Lammer GmbH	636,281
Renovation of President’s House - Manyok Makur	504,112
Rehabilitation of Juba University-(Kano for trading and Investment)	322,916
Renovation of police hospital (RA International)	265,670
Renovation of Nimule Park Lodge – (RA International)	532,814
Rehabilitation of government buildings in Tonji County, Warrap	877,338
Relocation of IDP basic schools from Khartoum to Southern Sudan (Family Charitable Organisation)	294,247
Renovation of Prisons Director of Planning house (Mayendit for trading & Investment)	323,439
Renovation of offices and construction of fence - Ministry of Telecommunications (RA International)	296,033
Renovation of house for the Minister for Water Resources	67,286
Renovation of two houses for the Ministry of Housing-South Sudan Commercial Enterprises Limited	47,069
Advance for renovation of Judiciary building	92,229
Prefab Buildings for the Ministry of Housing –Danish Camp	985,222
Renovation of Presidential Advisor’s house - Southern States Corporation for Development and Investment	651,804
Advance for capital expenditures for Southern Sudan Peace Commission	190,947
Renovation of staff house at Hai Neem (COVEC)	147,449
Renovation of Rejaf Education Centre for the Blind - Ankip Enterprises Southern Sudan Limited	98,596
Prefab office block for the Prisons department - Tiger communications Shortcut Service Co. ltd	57,646
Other	1,435,684

9,228,841

30. CAPITAL TRANSFERS USD

To Multi-Donor Trust Fund (MDTF):

The Capacity Building Project	500,000
The Core fiduciary Project	3,000,000
The Water and Sanitation Project	1,000,000
The Umbrella Health Program (UHP)	8,000,000
The Sudan Emergency Transport and Infrastructure Development Program (SETIDP)	32,520,050

45,020,050

To States:

Motor vehicles-Warrap State	1,088,955
Generators for Northern Bahr El Ghazal State	1,282,807
V-SAT - States' Ministries of Education Science and Technology	610,706
Motor vehicles - Northern Bahr El Ghazal State	445,287
Drilling of 40 boreholes in Warrap State	122,807
General capital transfer to the ten States	839,005
Other	20,941

4,410,508

49,430,558

31. FUND ACCOUNTS

	General fund	Stanbic LC	
	USD	account	Total
		USD	USD
Balance at 1 January 2007	44,466,400	19,864,446	64,330,846
Decrease in cash balances	(23,469,114)	-	(23,469,114)
Net Letters of Credit opened in the year	(152,950)	152,950	-
Net Letters of Credit utilised in the year	<u>19,482,062</u>	<u>(19,482,062)</u>	<u>-</u>
Fund balances at 31 December 2007 (Note 32 and 33)	<u>40,326,398</u>	<u>535,334</u>	<u>40,861,732</u>

32. CASH BALANCES

Cash comprises balances with banks and investments in short-term money market instruments. Cash balances at 31 December 2007 shown in the statement of cash receipts and payments are made up of the following amounts:

Bank accounts	At 31	At 31
	December	December
	2007	2006
	USD	USD
Cash held under lien (Note 33)		
Stanbic Bank Nairobi USD LC margin account	<u>535,334</u>	<u>19,864,446</u>
Available cash balances		
<i>Nairobi bank accounts</i>		
Stanbic Bank Nairobi USD account	1,721,117	(6,884,498)
Stanbic Bank Nairobi Euro account	118,913	108,898
Stanbic Bank Nairobi Kenya Shilling account	195,830	176,868
Stanbic Investment Management Services	<u>3,900</u>	<u>-</u>
	<u>2,039,760</u>	<u>(6,598,732)</u>
<i>Juba bank accounts</i>		
Bank of Sudan Juba Branch SDG account 6919/1000/1	4,500	71,068
Bank of Sudan Juba Branch SDG account 6919/1000/2	44,690	14,129,611
Bank of Sudan Juba Branch SDG account 6919/1000/3	31,340,640	830,518
Bank of Sudan Juba Branch USD account	1,236,874	21,091,645

Bank accounts	At 31 December 2007 USD	At 31 December 2006 USD
Cash held under lien (Note 33)		
6921/1000/7		
Bank of Sudan Juba Branch SDG account		-
6919/1000/9	3,417,487	
Bank of Sudan Juba Branch SDG account		-
6919/1000/12	1,958,859	
Bank of Sudan Juba Branch € account		-
6921/1000/17	-	
Bank of Sudan Juba Branch Sterling £ account		
6921/1000/7/03	<u>283,588</u>	<u>-</u>
	<u>38,286,638</u>	<u>36,122,842</u>
<i>Khartoum bank accounts</i>		
Bank of Sudan Khartoum USD Main A/c		-
6921/11821/1	-	
Bank of Sudan Khartoum SDG 6919/1000/22	-	-
Omdurman National Bank Khartoum Sudanese		
Dinnar account 1009669	-	1,609,376
Omdurman National Bank Khartoum USD		
account 1009670	-	905,570
Omdurman National Bank Khartoum USD		
account 1009723	-	10,060,211
Bank of Khartoum Sudanese Dinnar account		
42544	-	1,500,363
Bank of Sudan Khartoum Sudanese Dinnar		
account 6919/1000/22	<u>-</u>	<u>866,770</u>
	<u>-</u>	<u>14,942,290</u>
Sub - total	<u>40,326,398</u>	<u>44,466,400</u>
	<u>40,861,732</u>	<u>64,330,846</u>

Notes

a) BNP Paribas Bank

An amount of **USD 165,915,978.91** was noted as having been transferred to two bank accounts held at BNP Paribas Bank (Geneva) during the first six months to 30 June 2006. Of this amount, **USD 157,484,255.76** was deposited back in August 2006 to the Bank of Sudan Khartoum USD Main A/C 6921/11821/1 leaving a balance of **USD 7,431,723.35** which has not been recognised in these accounts as the accounts in Geneva are not in the name of the Government of Southern Sudan, and other details regarding these accounts and transactions therein are still outstanding.

33. OUTSTANDING LETTERS OF CREDIT

Date	Ministry & Agency / beneficiary	At 31 December 2007 USD	At 31 December 2006 USD
3-Aug-06	Agriculture and Forestry Integrated Business Company	-	1,507,300
25-Aug-06	Finance and Economic Planning Hima Cement Ltd Kingstone Enterprises Ltd	-	155,000
25-Aug-06		-	193,200
		-	348,200
15-Sep-06	Housing, Lands and Public Utilities Simicorp FZE Danish Camp Supply Simicorp FZE Al Hamra Industrial Park	104,347	1,159,437
7-Nov-06		-	466,560
20-Feb-07		381,647	-
20-Feb-07		(381,647)	-
		104,347	1,625,997
18-Aug-06	SPLA Blue Magnolia Ltd Ms Kenloyd Logistic (U) Ms Tech Hard TG04 – UK Sitico Petro Products Kent Point Trading	-	10,685,000
6-Oct-06		-	438,143
7-Nov-06		278,037	2,723,251
9-Nov-06		-	1,494,000
8-Dec-06		-	626,500
3-Jan-07		-	416,055
		278,037	16,382,949
11-Nov-2007	Southern Sudan Electricity Corporation El-Sewedy Company	152,950	-
		535,334	19,864,446

34. Staff pension fund – SDG a/c 6919/1000/16

USD 233,170 withheld from GoSS staff salaries as their contribution to the Pension Fund and deposited in the above account.

35. AUTHORIZATION DATE

The financial statements presented on pages 4 to 38 were authorised on

by *Sahar M. Mubiana / 1/5*
Sahar

01/04/2008

Appendix I

Summary of Ministries' budget to actual expenditure for the year ended 31 December 2007

The Government of Southern Sudan Budget to actual expenditure analysis per ministries and Government commissions									
For the year ended 31 December 2007									
Sector	Ministry/Agency	2007 BUDGET		ACTUAL EXPENDITURE			UNSPEND/ (OVERSPEND)		
		USD	SALARIES USD	OPERATING USD	CAPITAL USD	TOTAL USD	USD	USD	
Accountability	Anti - Corruption Commission	2,300,000	356,209	936,313	142,094	1,434,616	865,384		
Accountability	Auditor General Chamber	2,500,000	286,407	381,512	769,641	1,437,560	1,062,440		
Accountability	Finance & Economic Planning	7,000,000	2,120,576	17,748,359	4,019,468	23,888,403	(16,888,403)		
Accountability	Southern Sudan FFAMC	1,000,000	245,965	169,169	308,297	723,431	276,569		
Accountability	SS C for Census Stats & Evaluation	4,750,000	1,794,710	936,057	3,778,489	6,509,256	(1,759,256)		
Accountability	S/Sudan Reconstruction & Dev. Fund	2,225,000	342,966	803,042	260,834	1,406,842	818,158		
		19,775,000	5,146,833	20,974,452	9,278,823	35,400,108	(15,625,108)		
Economic Functions	Min of Comm. Trade & Supply	2,500,000	1,162,521	586,465	519,211	2,268,197	231,803		
Economic Functions	Min of Information Radio & TV	15,000,000	3,365,500	1,641,509	7,658,206	12,665,215	2,334,785		
Economic Functions	Min Telecom & Postal Services	21,000,000	763,965	568,324	632,634	1,964,923	19,035,077		
Economic Functions	Ministry of Industry & Mining	4,000,000	832,973	667,950	313,385	1,814,308	2,185,692		
Economic Functions	S.S Investment Authority	1,000,000	151,409	204,122	201,524	557,055	442,945		
		43,500,000	6,276,368	3,668,370	9,324,960	19,269,698	24,230,302		
Education	Min of Education Science & Tech.	111,750,000	101,783,730	8,195,230	5,631,957	115,610,917	(3,860,917)		

**The Government of Southern Sudan Budget to actual expenditure analysis per ministries and Government commissions
For the year ended 31 December 2007**

Sector	Ministry/Agency	2007 BUDGET		ACTUAL EXPENDITURE			UNSPEND/ (OVERSPEND)
		USD	SALARIES USD	OPERATING USD	CAPITAL USD	TOTAL USD	
Health	HIV / AIDS Commission	1,000,000	443,743	139,009	202,416	785,168	214,832
Health	Ministry of Health	82,500,000	18,543,041	5,491,969	8,519,320	32,554,330	49,945,670
		83,500,000	18,986,784	5,630,978	8,721,736	33,339,498	50,160,502
Infrastructure	Min Housing, Lands Public Utilities	140,000,000	1,200,834	2,139,352	40,887,724	44,227,910	95,772,090
Infrastructure	Min of Transport & Roads	123,750,000	1,517,168	1,389,206	32,351,125	35,257,499	88,492,501
Infrastructure	Min of Water Res & Irrigation	9,000,000	1,544,148	830,122	531,062	2,905,332	6,094,668
Infrastructure	S S Electricity Corporation	27,004,773	1,931,754	4,945,105	-	6,876,859	20,127,914
Infrastructure	S S Urban Water Corporation	9,040,301	1,427,783	396,068	276,224	2,100,075	6,940,226
		308,795,074	7,621,687	9,699,853	74,046,135	91,367,675	217,427,399
Natural Resources & Rural Devt.	Min Env. Wildlife Cons & Tour	15,000,000	29,873,931	3,506,052	796,733	34,176,716	(19,176,716)
Natural Resources & Rural Devt.	Min of Agriculture & Forestry	21,000,000	3,807,083	3,261,857	2,110,894	9,179,834	11,820,166
Natural Resources & Rural Devt.	Min of Animal Res & Fisheries	7,500,000	4,352,587	695,050	968,953	6,016,590	1,483,410
Natural Resources & Rural Devt.	Min of Co-ops & Rural Dev	14,250,000	961,676	1,782,910	1,740,100	4,484,686	9,765,314
Natural Resources & Rural Devt.	South Sudan Land Commission	1,000,000	172,711	214,572	4,440	391,723	608,277
		58,750,000	39,167,988	9,460,441	5,621,120	54,249,549	4,500,451
Public Administration	Council of Ministers	3,250,000	6,621,043	11,649,350	494,095	18,764,488	(15,514,488)
Public Administration	Min Lab Pub Serv & HR Development	3,600,000	1,006,361	919,725	1,678,735	3,604,821	(4,821)
Public Administration	Min of Parliamentary Affairs	3,000,000	380,231	1,230,769	97,173	1,708,173	1,291,827
Public Administration	Min of Regional Cooperation	4,150,000	2,396,633	4,364,185	733,060	7,493,878	(3,343,878)

The Government of Southern Sudan Budget to actual expenditure analysis per ministries and Government commissions
For the year ended 31 December 2007

Sector	Ministry/Agency	2007 BUDGET		ACTUAL EXPENDITURE				UNSPEND/ (OVERSPEND)
		USD	SALARIES USD	OPERATING USD	CAPITAL USD	TOTAL USD	USD	
Public Administration	Office of the 1 st Vice President	2,750,000	35,153	14,623,634	2,025,133	16,683,920	(13,933,920)	
Public Administration	Office of the President	4,875,000	339,516	14,483,283	569,751	15,392,550	(10,517,550)	
Public Administration	Presidential Affairs	2,450,000	2,729,544	21,633,201	1,520,341	25,883,086	(23,433,086)	
Public Administration	Public Grievances Chamber	1,000,000	271,476	229,822	191,508	692,806	307,194	
Public Administration	S Sudan Legislative Assembly	36,726,965	14,386,041	6,476,551	1,018,032	21,880,624	14,846,341	
Public Administration	S Sudan Local Government	1,000,000	2,240,478	497,748	13,634	2,751,860	(1,751,860)	
Public Administration	SS Employees Justice Chamber	750,000	347,840	272,423	179,274	799,537	(49,537)	
Public Administration	SS Public Service Commission	1,500,000	282,547	225,812	218,494	726,853	773,147	
		65,051,965	31,036,863	76,606,503	8,739,230	116,382,596	(51,330,631)	
Rule of Law	Judiciary of Southern Sudan	13,500,000	8,903,526	1,042,375	640,130	10,586,031	2,913,969	
Rule of Law	Min Legal Affairs & Const Dev	6,250,000	5,265,031	1,263,455	771,888	7,300,374	(1,050,374)	
Rule of Law	Ministry Of Interior	75,565,846	97,642,059	5,988,861	4,762,649	108,393,569	(32,827,723)	
Rule of Law	SS Human Rights Commission	2,500,000	423,912	649,200	209,930	1,283,042	1,216,958	
		97,815,846	112,234,528	8,943,891	6,384,597	127,563,016	(29,747,170)	
Security	S Sudan DDR Commission	3,125,000	634,381	1,060,752	27,525	1,722,658	1,402,342	
Security	S Sudan De-Mining Authority	1,648,060	467,364	441,226	624,162	1,532,752	115,308	
Security	SP/ A Affairs	550,000,000	404,192,502	123,059,590	60,760,927	588,013,019	(38,013,019)	
		554,773,060	405,294,247	124,561,568	61,412,614	591,268,429	(36,495,369)	
Social & Humanitarian Affairs	Min Gender Soc Welfare &	4,500,000	448,455	1,659,676	293,146	2,401,277	2,098,723	

**The Government of Southern Sudan Budget to actual expenditure analysis per ministries and Government commissions
For the year ended 31 December 2007**

Sector	Ministry/Agency	2007 BUDGET		ACTUAL EXPENDITURE			UNSPEND/ (OVERSPEND)
		USD	SALARIES USD	OPERATING USD	CAPITAL USD	TOTAL USD	
Social & Humanitarian Affairs	Religion						
	Min of Youth Culture & Sport	4,400,000	1,035,883	649,912	289,667	1,975,462	2,424,538
	S.S War Veterans Commission	1,500,000	341,990	225,231	851,106	1,418,327	81,673
	S.S War Displaced Widows & Orphans	3,000,000	501,872	809,451	591,534	1,902,857	1,097,143
	SS Relief & Rehab Commission	3,000,000	2,767,934	6,611,462	308,718	9,688,114	(6,688,114)
	Sudan Peace & Reconciliation Comm.	1,500,000	475,065	723,033	220,534	1,418,632	81,368
		17,900,000	5,571,199	10,678,765	2,554,705	18,804,669	(904,669)
Transfers	Gen Transfers to States & Local	105,000,000	-	199,610,137	5,867,257	205,477,394	(100,477,394)
Transfers	State Council of Ministers	5,000,000	-	-	-	-	5,000,000
Transfers	State Legislative Assembly	14,000,000	883,278	2	-	883,280	13,116,720
		124,000,000	883,278	199,610,139	5,867,257	206,360,674	(82,360,674)
Reserves		48,849,555	-	-	-	-	48,849,555
Sub total		1,534,460,500	734,003,505	478,030,190	197,583,134	1,409,616,829	124,843,671
Add:	Suspense - payments pending further information and explanations (Page 4)						114,937,078
Total expenditure for the year ended 31 December 2007							1,524,553,907

Note 1

Direct expenses of USD 43,960,000 (Note 2(d)) deducted directly by the Federal Ministry of Finance, Khartoum, as reported in the Petroleum Oil Revenue Reports for the year ended 31 December 2007 have not been included in the total expenditure of US\$ 1,524,553,907 reported above.

CHAPTER – ONE

OIL REVENUE

CHAPTER – 1

Introduction

1. Background

Under the CPA, the parties agreed on the formula and mechanisms for sharing the net oil revenue from oil resources, establishment of the Oil Revenue Reserves and Oil Revenue allocations to be made to the Oil Producing States. The agreement also stipulated the modalities for the joint management of the development of the petroleum sector during the interim period.

Oil revenue constituted almost 98% of the revenue of GoSS and provided the life line. Hence its importance from the perspective of audit.

2. Audit Objectives

- i) To ensure that oil revenue receipts are properly supported by primary documentation and in accordance with the legislative framework and provisions of the Comprehensive Peace Agreement on the sharing of wealth in the Republic of Sudan.
- ii) To ensure that oil revenue, production and management processes for crude oil and the basic assumptions and information used in computing the various components of oil revenue for the year under audit are stated at the correct value and accurately recorded by the various Departments in GONU and GoSS.
- iii) To ensure that all oil revenue receipts, charges and oil revenue due to the sharing parties during the period of audit are recorded.
- iv) To ensure that oil revenue receipts, production quantities and charges against oil revenue are supported by relevant schedules, definitive documentation and relate to the year under audit.
- v) To ensure that revenues received in various bank accounts exist and charges against the revenue were actually incurred and relate to the revenue received by GOSS during the year under audit.
- vi) To examine whether the accounting for oil revenue complies with the accounting policies adopted by GoSS.
- vii) To evaluate control mechanisms surrounding the management of production of crude oil, oil revenue and Oil Revenue Reserve Fund.

3. Scope of Audit

To achieve the objectives of the audit enumerated the areas of focus included:

- i) understanding of the oil flow production process, allocation and work flow;
- ii) establishment of the net adjusted production, cost recovery process and the GONU/GoSS entitlement;
- iii) determination of the oil production forecasts and adjustments;
- iv) determination of the parameters for computation of the wealth share, sale of the crude oil process and oil revenue transfers;
- v) ascertainment of the recoverable costs and charges;
- vi) Petroleum sector regulations, strategies, policies and management framework.

4. Structure of the Report

In undertaking this oil revenue audit for financial year 2007, we reviewed 5 key areas as follows:

- i) General administration of crude oil exploration and production
- ii) Export sales and uptake of crude oil to local refineries
- iii) Availability of Audit Information and cooperation from the Government Staff
- iv) Confirmation of Oil revenue transfers and Oil Revenue Stabilization Account
- v) Direct Expenditure paid by GONU on behalf of GoSS

5. Conclusion

In the absence of total transparency regarding details of oil production quantities produced for each blend, quantities exported blend wise and quantities refined in the country, the export prices as negotiated and as realized from the buyer, revenues shared between the various governments and the balances available in the various bank and reserve accounts and the details of direct expenses charged by GoNU etc it was not possible for audit to certify the accounts of oil revenue.

Several documents pertaining to oil production and accounting information were not made available. Where these were made available it was not possible to reconcile the conflicting data from different governments or from the same government but from different institutions.

The structures envisaged to oversee the production details and sharing of revenue were not fully established and those established remained ematiated. This resulted in loss of transparency and accountability.

In the absence of availability and production of basic records pertaining to a crucial revenue by a host of institutions, audit records a Disclaimer and recommends a thorough verification for necessary certifications by an international audit firm in the immediate future.

6. Findings

i) General administration of crude oil exploration and production

The Department of Exploration of the Ministry of Petroleum (MOP) provided us with the upstream crude oil production data and processes. We assessed this data to examine the extent of the completeness and accuracy of production quantities and sales of various blends of crude oil during the year .The aggregate net adjusted production during the year amounted to 98.2 million barrels for Nile blend operated in blocks 1, 2, 4 and 5, while production for Dar blend in blocks 3 & 7 amounted to 63.77 million barrels. Of this production, the Government entitlement in blocks 1, 2, 4 and 5 amounted to 64 million barrels and for blocks 3 & 7 amounted to 32.86 million barrels. These included the government's share of the profit oil and excess oil.

Based on this production information, we observed that there was an aggregate annual growth of 0.8% in 2007. Government share grew by 54% in comparison with 2006 entitlement. Nevertheless, we were not able to determine whether this growth was consistent with the expected production values as the forecast records were not made available to us.

The total expected gross government revenue from export sales and uptake by local refineries for Nile blend and Dar blend as per the Exploration Department amounted to USD 4.41 billion and USD 1.5 billion respectively. Of these amounts, USD 988.6 million and USD 619.9 million was allocated as net oil revenue to GoSS from the expected sales of Nile blend and Dar blend respectively during the year. This was arrived at after costs including management fees, transport cost, deductions to ORSA and the share to the Oil Producing States. The details of the costs as well as the transfers to ORSA have been discussed elsewhere in this report. We however noted that the degree of accuracy of the information on crude oil production quantities and sales cannot be ascertained due to observed inconsistent relationships in various reports from various Government Departments. This has been discussed in the next sections of this report.

Based on the limited information provided to us, we noted the following.

- The individual well streams are brought into the main Field Processing Facilities (FPFs) over a network of gathering pipelines in the Oil Gathering Manifold Systems (OGMS) at the wellheads. These systems are linked to various wells. The production records of untreated crude oil from the OGMS records that should be the initial data used to monitor production quantity at the wellhead was not provided to audit. Based on our enquiries from the Engineer in charge of the Exploration Technical Control Department, we understand that these records from the OGMS are not essential to the government in monitoring oil production. However, production records at the OGMS should primarily form the basis of theoretical allocation of oil produced to the FPFs, attached to various oil blocks. Each FPF takes a percentage of the Central Processing Facility (CPF) based on production from wells attached to the FPF in comparison to the total of all FPFs production. This data is then used to determine actual oil allocations to each block that will be shared between contracting companies and the Government.
- Audit noted irregular monthly disparities in the net adjusted production figures as published in the Petroleum Unit (PU) report and that shown in the Field Allocation Reports (FAR). The net differences in the figures of crude oil quantities from blocks 1, 2 and 4 as published in the PU report was 37,210 barrels higher than those figures shown in FAR. In addition, there are differences in the production data as per Daily Production Reports (DPRs) and the FAR for the same blocks. Production as per DPRs was 300,000 barrels higher than the FAR figures. The production figures as shown in DPRs and FAR are metered transfer volumes at standard temperature and pressure (STP) and after adjustments. These differences place a doubt on the accuracy of production data recorded by the Exploration Technical Control Department. DPRs shows the stock at the CPF storage tanks, fuel oil used and off-specification used oil that are adjusted against the daily production at CPF. However, line and/or terminal (shrinkage) losses experienced during the upstream process have not been documented. In view of this, we were not able to establish the adequacy of the process of determining these losses and if such losses were justified by records and approved by Joint Process Engineers to ensure that they were within the expected ranges.
- Audit requested for the documentation on measurement of metered volumes of crude oil at the Production Measurement Point (PMP). This data is used to reallocate total oil production to various blocks. We were however not provided with this information as well as the records of the production and custody meters that records the inflow and outflow quantity at the Central Processing Facility (CPF). Because of the lack of these records maintained at the PMP and CPF metering points Audit was not able to establish the accuracy of reallocation of quantities of crude oil to the various blocks.

- It was noted that calibration tests for loading and pipeline meters at the various production, storage and measurement facilities should be carried out by an independent party twice a year. This process should be jointly witnessed by the Government Technical Personnel and the oil companies' representatives to ensure that metering systems are not tampered with. However, we were unable to review calibration reports and records of meter tests. The calibration reports for the year were not made available at the time of audit. However, reports for the subsequent years were available.
- We understand that Ministry of Petroleum (MOP) maintains records of the dead stock of crude oil in the pipeline. These records are used to track the share of the stock as to profit oil and cost oil due to the government and the contractors. These records are adjusted to accommodate new parties to the usage of the pipelines. Our audit effort to verify did not succeed.
- The contractors control the exploration and development of various oil blocks. Our main objective was to examine the terms of agreement as they form the basis of sharing of both cost and profit oil between the parties. However, we were provided with the sections of these agreements that only show the sharing of the crude oil. Exploration Production Sharing Agreements (EPSAs) are said to be confidential.
- Under CPA's wealth sharing agreements, the parties were required to establish a system to monitor daily production of oil by the Joint Technical Committee (JTC). The committee was mandated under CPA to review the existing oil production monitoring system and make recommendations to National Petroleum Commission (NPC) for improvements. However, the terms of reference for JTC have limited the committee to following up on the oil revenue sharing and transfers and that the committee had not been involved in the broad management of oil resources. Because of this, there have been no substantial recommendations to NPC, on the improvement of the oil production monitoring mechanisms as stipulated under CPA.
- Underlying production and accounting records should be jointly maintained by the National Government and contracted oil companies. However, audit noted the absence of representatives from GOSS and Oil Producing States. We understand that the process of recruiting GOSS or OPS representatives to participate in the upstream management of crude oil was floated but no substantial progress was made.

Implications

- In the absence of the primary production information as recorded through either the production or testing pipelines in the gathering manifold systems upon which the DPRs are prepared, audit was not able to establish the accuracy and completeness of DPRs. As a result, accuracy of the Field Allocation Reports allocation of production at CPF to the various FPFs and oil blocks were also affected. Consequently GoSS share of revenue cannot be determined.
- The absence of corroboration in the data recorded by Exploration Department in various reports casts doubt on the accuracy of production data. Due to the lack of data on upstream process losses the adequacy of the process determining these losses, and quantity cannot be stated.
- The absence of involvement of JTC in broad management of oil resources due to the limited terms of reference defeats the purpose for which the committee was intended under CPA. In addition, there was no substantial participation of GoSS in the joint monitoring of the management of the crude oil. For this reason, there is risk of subjectivity in the measurement of financial and production information. There is also likelihood of risks of error for instance, estimates involving measurement of pipeline losses, forecasts and determination of the parameters used to compute financial information such as tariffs, management fees and benchmark prices. These parameters may be formulated arbitrarily.
- In the absence of the calibration reports, audit was not able to ascertain whether there were any non-compliance issues noted during testing and subsequent measures taken by the government and the contractors to address them.
- Taking into account unavailability of budget values on production and sales of crude oil, we were not able to determine the amount of variations from the expectations that should be generally accepted and its consistency with the desired level of outcome and accuracy.

Recommendations

- JTC should be given the mandate to get involved in the broad management of oil resources at all stages. The committee should, with the assistance of Technical Experts, review the existing oil resources monitoring system and make necessary recommendations to National Petroleum Commission (NPC), if indeed this commission operates. The process should ensure that JTC members build consensus on such recommendations so as to enhance the implementation process to facilitate a transparent GONU/GoSS joint monitoring of the oil resources.
- The auditors should be allowed to have access to and carry out assessment of the primary documentation used in OGMS. This is because OGMS data primarily forms

the basis for determining the actual production and share of the revenue generated from the oil resources.

- As has been recommended in the previous years, GoSS should discuss with the National Government on the need to include Petroleum Technical Experts to provide joint monitoring of the crude oil management process. This will mitigate uncertainties on management of oil resources by GONU. The experts will ensure GOSS participation in day- to- day management of the petroleum sector. In addition, GOSS should seek help from the international community to facilitate financial and technical capacity as stipulated under CPA.

ii) Export sales and uptake of crude oil to local refineries

The mechanism for management of crude oil through the downstream process involves measurement at the Pipeline Service point (PS). The metered volumes (Custody Transfer Metering) at the PS provide a basis for computation of the Net Adjusted Production (NAP). NAP forms the basis for oil shares among the partners. It is also at this point that uplift to the local refineries and the quantities to the Delivery Measurement Point (DMP) for export purposes are undertaken. Total export sales during the year as per PU report grew by 33.45%. We evaluated the adequacy of the control environment in the downstream processes and noted the following.

- We reviewed the Oil Revenue Stabilization Account (ORSA) analysis report, Petroleum Unit (PU) report and Export Sales Allocation Reports (ESAR) prepared by PU in Ministry of Finance and National Economy (MOFNE). The latter reports are used to allocate net export sales between OPS, GoSS and GONU as well as forming the basis for PU report. We also reviewed the export sales reports from the Bank of Sudan (BOS). We noted that the export sales allocation reports showed 2.035 million barrels higher than the quantity shown in the PU report.
- The auditors noted inconsistencies in PU report and ESAR on allocation of export sales to GoSS. Based on ESAR, sales from the Nile blend in January to April and July to October was allocated to GoSS at a constant of 33% of the net sales. As per PU report and information from the Exploration Technical Control Department that GOSS revenue share based on the percentage of oil produced in the south during these periods was not constant.
- The peculiar issue was the allocation of Dar blend operated in blocks 3 & 7 where GOSS share should be half but was allocated 33% of the export sales in the month of January. During December, GoSS share was raised to 55%.
- PU report for the year showed total export revenue (pegged at the benchmark prices) amounted to USD 3.2250 billion whereas BOS annual export sales report valued these sales at USD 3.663 billion. The auditors noted two inconsistencies in the pricing of crude oil. For instance, in January, BOS valued a shipment of

1,045,340 barrels of Nile blend at USD 51.4 per barrel, whereas PU Department valued the same at USD 56.03 per barrel thereby having an understatement on the revenue as well as ORSA transfers amounting to USD 4.9 million. Further, the total export sales for the year according to the Marketing Department under Sudanese Petroleum Corporation amounted to USD 3.5515 billion. According to PU report GoSS annual share of the net export sales to be USD 1.06145 billion, whereas this share was valued at USD 1.1898 billion as per ESAR. This generated an unexplained difference of USD 128.4 million. The higher figures reported in the ESAR were arrived at even when the benchmark prices for Nile and Dar blends used in computation were as low as USD 16 per barrel as compared to the budgeted bench mark prices that ranged between USD 45 and USD 55 per barrel. In the two scenarios, deductions relating to transport tariffs, the share to OPS and administration costs have been considered. In addition, the total quantities of crude oil sold as per PU report amounted to 67.609 million barrels whereas ORSA report showed total sales as 66.940 million barrels. The quantities in ORSA report could be more than the figures stated above since there were other unidentified export sales in the ORSA report that the Auditors could not establish the quantities and the type of blend sold as this data was missing. The value of unidentified quantities of crude oil sold as per the ORSA report amounts to USD 25.64 million. In addition, the Exploration Technical Control Department of MOP provided us with quantities of crude exported during the year amounting to 72.529 million barrels as compared to the total export sales of 67.609 million barrels reported in the PU report of MOFNE. This brought a difference of 4.92 million barrels. The data from the Marketing Department showed 68.491 million barrels as exported. Of these, 31.772 million barrels of Nile blend and 36.719 million barrels of Dar Blend were reported to have been sold.

- Information on production of crude oil provided by the Exploration Technical Control Department showed differences as noted below. Government entitlement in Blocks 1, 2 & 4, 5A and 3&7 for the year were shown as 60.534 million barrels, 3.684 million barrels and 32.86 million barrels respectively. However, the Government uplift (quantities available for sale, for both local refineries intake and export) from the same blocks was shown as 59.827 million barrels, 2.81 million barrels 32.50 million barrels, thereby having a difference of 1.941 million barrels. Of these, 0.707 million barrels, 0.874 million barrels and 0.36 million barrels related to blocks 1, 2&4, 5A and 3 & 7 respectively. One could consider this to be an under lifting effect; however there was no reconciliation to ensure that these quantities under lifted by the government were tracked and appropriate adjustments were made in subsequent periods.
- Audit did not have access to the custody transfer metering data for measurement of crude oil at PS, uptake to local refineries and Delivery Measurement Points (DMP). We were therefore not able to determine the volumes of crude oil at these particular points, especially at PS that forms the basis of computing the net adjusted production to be allocated to the sharing partners.

- The export sale of crude oil is done through a bid process carried out by the Sudanese Petroleum Corporation (SPC). The National Tendering Committee (NTC) evaluates the bids. The evaluation is then submitted to the ministry for approval. We reviewed only two evaluation reports for tender reference numbers 48/08/2007 and 39/11/2006 provided to us by the Marketing Department. Our requests to have specific tenders selected on the basis of our risk assessment were not provided. Based on the two tender evaluation documentation reviewed, we noted that there were no details of elements that should form the basis of the evaluation. Elements such as the ability of the buyer to pay in time, history or previous engagements with the buyer, security of payment offered by the buyer among others that should naturally form the basis of this evaluation were not considered. We noted that sale of crude oil of the Dar blend amounting to GBP 633.785 million (equivalent of USD 1.2786 billion) were sold by the corporation without letters of credit. In most instances, the value of letters of credit provided by the bidders for the purchase of Nile blend was much lower than the value of the sales of the crude oil sold to them. Taking into account our limited access to tender evaluation documentation, we are not able to establish whether NTC applied adequate tendering processes to all of the sale bids to select the best bidders.
- Based on the limited samples of sales contracts, bills of lading, invoices and credit advice notes provided by Marketing Department (MD), we traced the transactions to the annual crude oil export report prepared by BoS and ORSA statement prepared by PU Department and found them to be agreeing. However, there were instances where BoS annual export report did not show cases where part payments had been made and the difference was either settled later or had been directed to be paid to an alternative bank by BoS. These invoices amounted to USD 22,978,037 as shown below. This had affected shares of revenue to GoSS, OPS as well as transfers to ORSA. We were not provided with sales contracts, invoices and credit notes for the export sale of Dar Blend . Information on records of volume of tankers docked at the Port of Sudan, and government bank accounts that were used to receive these export sales proceeds at BOS were not made available to audit.

Date	Reference no.	Invoice Value USD	Deposit in another account USD
03/10/2007	C/43/2007	72,642,102	14,528,420
06/10/2007	C/47/2007	15,296,345	3,059,269
06/10/2007	C/46/2007	21,680,150	4,336,030
08/09/2007	C/6/2007	30,405,467	1,054,318
TOTAL			22,978,037

Out of the 11 invoices of export sales for Nile blend issued by MD in the months of January and October 4 invoices, as shown in the table above, have

been partly omitted in the export report by BOS as well as the export sales allocation report.

- Instructions regarding the quantities of crude oil uptake by the local refineries as well as the records of metered volumes at Obeid and Khartoum refineries uptake were not made available. We were therefore not able to verify reconciliations between actual quantities taken by the local refineries and the instructions issued by MD to the metered volumes at the refineries. According to the information gathered from Exploration Department the quantities of crude oil taken up by the local refineries amounted to 22.608 million barrels equivalent of USD 1.53641 billion. Of these sales, USD 396.38 million was due to GoSS after deductions towards administration fees and the share of OPS. Audit did not have access to the Local sale of crude oil allocation reports by PU during the year.
- The process of determining parameters for computing various costs, shares to GoSS, OPS as well as transfers to ORSA were solely carried out by MOFNE and did not involve GoSS representatives. Audit was also not able to review the contracts between the government and the pipeline services to establish the basis and accuracy of the pipeline and transportation costs charged. According to the Exploration Department most of the pipelines if not all, were owned by the oil contractors.

Implications

- Having identified fluctuations and relationships that are inconsistent in the information provided by various departments that differ in significant amounts of the quantities and values of sales there is doubt on the reliability of this information processed through these departments. Considering the lack of corroboration in the information provided by various GONU departments there is risk that this information used in determining oil revenue due to GoSS may not be accurate. The inaccuracies in the information will not only affect share of revenue to GoSS but also the determination of transportation tariffs, administration costs, share of oil revenue to OPS and transfers to ORSA. With the noted discrepancies there is risk of lack of approvals and checks on activities such as the correction of incorrect production and financial information and the process of how such data is passed on from one department to another and used as input in the computation of the oil revenue due to GoSS.
- Omission of the invoices is an indicator that the process of capturing data that is used to compute the share of oil revenue, costs and remittances to ORSA is not adequate. It is possible, that other invoices have been excluded in determining total export sales, considering that the sample of invoices provided to us were limited.
- Due to the lack of information on details of crude oil taken up by the local refineries and how reconciliations were done to arrive at billings during the year, audit was not

able to determine the level of completeness and accuracy of the sales of crude oil to the local refineries.

- In the absence of an adequate tendering process, there is risk that NTC may choose uncompetitive bidders with lower prices. This will then have a corresponding negative effect on the revenues generated.
- There is likelihood of a risk that the process of adjusting the over and under lifting of the quantities of crude oil by the government may not be adequate to ensure that incorrect financial or production information in previous transactions is corrected in a timely manner and adjustments are made to ensure that risks of losses are minimized.
- Due to the absence of GoSS representatives in the process of determining the parameters to compute the share of the oil revenue and the various costs, the process was vitiated.

Recommendations

- Because of the limitation placed on the audit work by the lack of adequate information, we were not able to establish the adequacy of the control environment surrounding the sale of crude oil. We recommend that GONU should ensure that all production and accounting information for management of crude oil should be accurately prepared and safely kept for future audits. This information should be made available to all parties with interest in the petroleum revenue.
- MOFNE/ MOP should maintain an appropriate data capturing process that could be used to track export sales. For instance, a simple Invoice journal or sales Ledger should be maintained. The journal should indicate the reference numbers and value of the invoices issued, corresponding bills of lading, amounts retained by the government and remittances to ORSA. This will ensure that inconsistencies are mitigated and assist in tracking outstanding debtors.

iii) Availability of Audit Information and cooperation from the Government Staff

Difficulties experienced during the audit were mainly due to the lack of or slow flow of information from GONU's various departments.

Implication

The slow flow of information delays audit and denies opportunity to follow up on the issues. It also implies that such information is not readily available to any party with interest in management of petroleum resources.

Recommendation

GONU should ensure that all production and accounting information is made available timely to audit and pending issues are resolved.

iv) Oil Revenue Stabilization Account (ORSA)

We were not provided with information with respect to Oil Revenue Stabilization Account (ORSA). This Fund represents the difference between the actual sale price of oil (Nile blend at the existing market price) and the budgeted bench mark price. The difference is transferred to this Fund to hedge against a fall in market price. Our verification was to ensure that ORSA funds have been accurately computed and appropriate amounts have been deposited into the ORSA bank account(s). Based on the information provided by BOS and MOFNE we noted the following.

- According to PU report, the total amount deposited to the ORSA account during the year was USD 557.9 million. Of these deposits, GoSS is said to have withdrawn USD 154.98 million. It is not clear as to which criteria was used to allocate GoSS drawings from ORSA.
- As per PU department the amount due to ORSA from the export sales aggregated to USD 525.698 whereas the annual oil export sales report by BOS showed USD 518.9 million. The differences in these reports range between USD 32.2 million to USD 39 million. Due to inconsistencies in the quantities of production and sales volumes and the exclusions of some amounts having been directed to other government bank accounts as noted above, it is not possible to establish the correct position of ORSA account.
- Audit observed that the balance as at the end of the year was USD 24.66 million. However it is not possible to confirm this as the bank statements for ORSA were not provided.
- BOS did not provide us with the confirmation of oil revenue remitted to GoSS. Based on the financial statements prepared by MOFEP, the oil revenue receipts was USD 1.4265 billion, whereas the PU report indicated that as USD 1.5406 billion. As noted elsewhere in this report, there is a mismatch between the remittances at the bank and the disclosures shown in the Petroleum Unit.

Implications

- Because of the inconsistencies in the information provided by various government departments, there is risk that ORSA remittances disclosed in the PU report may not be accurate to reflect a proper status of the stabilization account. As a result we were not able to establish the appropriateness of the basis for the computation of remittances to this account. Additionally, we were not able to verify the transactions and the account balances.
- Owing to the low balance of ORSA at the end of the year, there is likelihood of a risk that the intended purpose for which the account was established may not be achieved. This contravenes the requirement of CPA that this account should be operated based on budgets determined by the parties to the agreement and that it should only be utilised when the prices of crude fall below the benchmark prices.
- In the absence of confirmation of remittances of oil revenue to GoSS, it may not be possible to resolve the un-reconciled amounts as disclosed in the financial statements and this casts reservations on the fair financial presentation of the oil revenue to GoSS and remittances to ORSA during the year under audit.

Recommendations

- The JTC should formulate and implement mechanisms to monitor ORSA as mandated under the CPA. In addition, GoSS and GONU should agree on the mechanism of managing ORSA where the two parties should have equal rights to access the account and determine when funds should be drawn as guided by the budgetary process under CPA.
- BOS/MOFNE should provide bank statements for ORSA to allow the auditors verify remittances into and withdrawals from this account. Appropriate data capturing systems should be used to track export sales that form the basis of determining remittances to ORSA.

v) Direct Expenditure paid by GONU on behalf of GoSS

As per the PU report, GONU incurred expenditure on behalf of GoSS amounting to USD 43.95 Million. Of these payments USD 20.14 million was for custom duty levied on GoSS. Audit was not able to establish the reason for these taxes. Based on the schedules provided to us by the Department of Budget and Finance under MOFNE on the expenditure paid by GONU on behalf of GoSS, we noted that direct expenditure amounted to USD 20.107 million. This is in contrast with the figures shown in PU report. The payments are said to have been made to cater for salaries in various learning institutions in the Southern Sudan States, payments to the holders of constitutional

offices, procurement of grain, payments for undisclosed services and payment for liabilities of the Southern Council. The latter payment forms 47% of the total expenditure as shown by MOFNE. We reviewed some correspondence from MOFEP regarding direct expenditure where we highlighted payments being made for office furniture, hire of vehicles, loading cargo and vehicle maintenance among other things although this has not been shown in the schedule (as discussed above) from MOFNE. We observed that all these items were invoiced by a car hire company in one invoice issued to MOFNE amounting to USD 1.36 million. Except for this particular invoice, there were no other expenditure support documents to enable us to verify these expenses.

Implications

In the absence of expenditure support documentation audit cannot determine the accuracy and validity of the direct payments on behalf of GoSS.

Recommendations

GoSS and MOFNE should provide support documentation for all the expenses incurred

CHAPTER – TWO

NON OIL REVENUE

CHAPTER 2

1. Background

It is the declared policy of GoSS to generate revenue from sources other than oil to reduce the dependency on oil revenue and to pace up the development. Revenue Administration is a new subject for GoSS and audit has highlighted the weaknesses in the previous two audit reports. The loopholes had not been plugged and revenue administration has continued to languish without any appreciable collection of non oil revenue.

2. Audit Objectives

- i) To verify completeness in recording of non oil revenue.
- ii) To verify that all non oil revenue was stated at the correct value, supported by appropriate documentation and accurately recorded by the various collecting authorities.
- iii) To verify that all non oil revenue collections were made in accordance with the legislative framework of the Government of Southern Sudan.
- iv) To verify whether all non oil revenues were collected and distributed applying the provisions of Non Oil Wealth Sharing Agreement.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Calculation of Revenue.
- Collection of Revenue.
- Operational and other expenditure.
- Accounting of the Revenue and.
- Disclosures in accordance with GAAP.

4. Conclusion

Revenue Administration continued to languish with no revenue other than Personal Income Tax from employees of GoSS (SDG 3,193,833) being collected. There were no records for tax collected from businesses, excise duties, service charges, or income from GoSS enterprises. Even the capacity for collection and accounting of revenue remained to be upgraded. Non oil revenue collected was USD 4,234,902 against the budgeted amount of USD 217,457,130. It was insignificant to the total revenue of GoSS and far less than the budgeted amount. Of the total revenue collected Ministry of Legal Affairs did not remit to GoSS, SDG 86,350 and Electricity Commission SDG 1,311,862

5. Findings

i) Revenue Sharing Agreement

In January 2005 the Sudan People's Liberation Movement (SPLM) and the Government of Sudan signed the Non-oil Revenue Wealth Sharing Agreement (WSA) as the basis of a comprehensive text on the Wealth Sharing as provided by the Comprehensive Peace Agreement (CPA). There were three key actions in the agreement:

The GONU allocated 50% of the national non-oil revenue collected in Southern Sudan to the GoSS to partially meet the development cost and other activities during the interim period;

All the revenues collected nationally for or by the GONU were pooled into a National Revenue Fund (NRF) administered by the National Treasury which held accounts and sub-fund into which funds due to government were collected, deposited and accounted.

All the revenues and expenditures of the Government of National Unity and Government of South Sudan (GoSS) will be on-budget and made public.

Despite numerous formal requests, Auditors did not obtain reliable evidence to show that the requirements of the WSA were implemented. We also report that, the GoSS financial statements for the period disclose an amount of USD 4,234,902 as non-oil revenue collected during the year and comprising mainly of Personal Income Tax and license charges collected by the Ministry of Finance and Economic Planning from GoSS employees.

Implications

Based on our findings, the National Government was withholding some or all of the non-oil revenue allocation due to GoSS as established by the terms of the WSA. Also,

- the non-oil revenue was not shared equitably as required by the WSA. Without access to records the scale of lost revenues to GoSS could be construed to be much greater than the figure reflected in the financial statements and
- the financial records and reports for non-oil revenue in the period were materially misstated as GoSS share of non-oil revenue was not transferred by GONU and we have no way of determining the amounts that should have been transferred; and Non-oil revenues in the period of audit may not have been fully disclosed in the financial statements and budgets as required by the WSA.

Recommendation

The GONU and GoSS must immediately take pending actions that ensure the full implementation of the requirements of the WSA.

GoSS should establish its share of non-oil revenue in 2007 and adjust the 2007 financial statement accordingly.

ii) Entitlement for non-oil revenue collection

The Interim Constitution of Southern Sudan at Section 184 (1) (a-1) provides for the collection of non-oil revenue by the Government of Southern Sudan from:

- services charges;
- income from enterprises and projects of GoSS;
- grants in aid and foreign assistance;
- taxes and levies on small and medium scale enterprises;
- excise duty on goods within Southern Sudan classified as luxury items; and
- personal income tax

However, auditors report that, Personal Income Tax deducted by MOFEP from GoSS employees' salaries and amounting to USD 3,193,883 constituted the bulk share of the total non oil tax revenue collection of USD 4,234,902 recorded by the GoSS.

Implication

Potentially material sums of income being generated by the assessment and collection of taxes and duties were not being reflected in the GoSS financial statements.

The absence of underlying accounting records made it impossible to evaluate the potential revenue not being disclosed in the financial statements.

The reported lack of systems and internal controls exposed GoSS to the high risk that significant sums of revenue were being misappropriated in part or in full.

Recommendation

MOFEP must ensure that adequate internal control systems are established to capture non-oil revenue assessment collection, banking and recording, so as to ensure that GoSS funds are not being foregone.

MOFEP must ensure that all sources of non-oil revenue are fully disclosed in the annual financial statements of GoSS and the States.

iii) Fiscal and Financial Allocation and Monitoring Commission (FFAMC)

To ensure transparency and equity in the allocation of nationally collected funds to the GoSS and States, the Fiscal and Financial Allocation and Monitoring Commission (FFAMC) was to be established but this was not done. This commission was to contain experts nominated by the States, the GoSS and GONU. The responsibilities of the FFAMC are:

- Monitoring and ensuring that the equalisation grants from the National Revenue Fund (NRF) are promptly transferred to respective levels of government;
- Ensuring appropriate utilisation and sharing of financial resources;

- Ensuring that finances were allocated and transferred as per the Wealth Sharing Agreement; and
- Ensuring transparency and equity in the allocation of funds to the GoSS and the States in accordance with the established ratio.

However Auditors noted that FFAMC had not been established.

Implication

There was no institution monitoring and managing the transfer of equalisation grants from the National Revenue Fund (NRF) to the respective levels of GoSS and the States. Therefore, there was a risk that the amounts being received from the NRF was less than due and that allocations are being made on an ad hoc and opaque basis.

The continuing absence of an operational FFAMC poses the risk that there was no higher level oversight for monitoring and managing the transfer of equalisation grants and this could lead to potential misappropriation or misuse of public funds.

The current arrangements for fiscal transfers to the national and sub-national levels of GoSS were not based on needs and this will lead to inequities particularly at the State level.

Recommendation

GoSS and GONU must immediately establish and operationalise the FFAMC to meet its mandate as envisaged by the WSA.

iv) Internal Control

Segregation of Duties

One of the key characteristics of a robust internal control system is the establishment of clearly defined arrangements for segregation of duties and responsibilities to ensure that no one individual has multiple responsibilities in the revenue cycle.

Clearly defined segregation of duties is particularly important for revenue, which has, by its nature, an inherently high risk for misappropriation.

However, this key component of internal control was largely absent as the same official was involved in the collection, banking and recording of revenue collections in the ledgers whilst strong controls require the separation of custody of revenues from the recording and there would be a need for supervision in the processes applied for non-oil revenue.

Implication

There is risk that significant sums of public money may have been misappropriated

Recommendation

MOFEP must establish and implement clearly defined roles and responsibilities to improve segregation of duties for all aspects of the revenue cycle.

MOFEP must assess the needs and requirements for robust internal controls in the revenue cycle and implement the changes coming from this assessment at both national and sub-national levels of the GoSS.

MOFEP must ensure that all personnel engaged in revenue collection and its management are fully conversant with non-oil revenue operating policies, procedures, and internal control systems.

(v) Documentation and Recording

All transactions and other significant events in the revenue cycle should be clearly documented, and this documentation should be readily available for examination and be properly managed and maintained in a timely and up to date manner.

However, as reported in the previous year, auditors noted that collections of non-oil revenues at all levels of government consistently had weak and often non-existent recording systems. As a result of this only the Personal Income Tax and license fees collected were reported in the financial statements whilst revenue from customs duties, business taxation and immigration charges have not been reported.

This would imply that no revenue from these sources was assessed and collected in 2007 which was clearly not the case. Therefore we conclude that given this situation the financial statement for 2007 were materially misstated.

Implication

Non-oil revenues for 2007 have been materially misstated in the financial statements and as such an unknown but potentially significant value of public funds may have been misappropriated or misused by GoSS officials.

Recommendation

GoSS must develop and introduce systems and controls that accurately accounts for all sources of non-oil revenue throughout all levels of government

vi) Control of Revenue Receipt Books

No records were maintained of receipt books distributed to revenue collectors at all levels of government reviewed. There is a need to record all issues of receipt books to the stations to ensure that only genuine official receipt books were used and where new requests for books were made, the ones that were in use should be returned. Such control of receipt books in circulation ensures that receipt books in use are the official ones issued by the Central Stores and mitigate against the use of possible fake receipt books.

Implication

This lack of control over revenue documentation had exposed GoSS to the risk of significant loss by fraud.

Recommendation

With immediate effect, a register to control and manage revenue receipt books should be established at all national and sub-national levels of GoSS. This register should include:

- Dates and to whom receipt books and accountable documents were issued;
- Stock of receipt books and other accountable documents in hand; and
- Dates when completed receipt books and accountable documents were returned.

MOFEP should develop regulations that will ensure sound internal controls over the management and use of receipt books and other accountable documents.

GoSS directorates collecting and accounting for non-oil revenues must ensure that all income collected is fully accounted for and recorded and banked in a timely manner.

GoSS directorates collecting and accounting for non-oil revenues must ensure adequate supervision over the revenue collectors and that daily reconciliations take place between individual revenue receipts and cash account.

CHAPTER – THREE

MINISTRY OF CABINET AFFAIRS

CHAPTER – 3

1. Introduction

Ministry of Cabinet Affairs was taken up for audit scrutiny for the first time in three years with the hope that the seat of government would have self control in regulating public expenditure and can be projected as an example to other public expenditure departments.

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, supporting documentation and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures .and
- vi) To verify compliance with generally accepted accounting principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure and.
- Ascertainment of the existence and application of the internal and budgetary controls.
- Stewardship of Public Assets and
- Disclosures in accordance with Generally Accepted Accounting Principles (GAAP).

4. Conclusion

The Ministry of Cabinet Affairs had scant regard for budgetary control having spent 475% more than the voted expenditure. Out of this the excess was 202% in pay roll and 112% in operating expenditure.

The violations included:	SDG
On Budget expenditure	30,840,772
Excess Transfers from MoFEP	899 862
Un budgeted expenditure	13 811 346
Unauthorised line transfers	10 048
Unsurrendered Savings at year end	567 966
Unexplained cash withdrawals	7 830 864
Double payments to retirees	552,395
Double Salary payments	10 486
Unpaid salaries not accounted for	30 833

MoFEP will have to standardise cash transfers and medical attendance / assistance rules. Internal audit has to come of age.

5. Findings

5.1 Budgetary Control

Budgetary controls in the ministry were not effective to ensure that expenditure was limited to the amounts appropriated by the South Sudan Legislative Assembly. In this respect, the following issues were observed:

a) Budget Overrun SDG 30,840,772 equivalent to 475%

The total expenditure of MoCA was SDG 37,340,772 against a budget of SDG 6,500,000. The excess-expenditure was SDG 30,840,772 (Appendix1) amounting to 475 % of the original budget. The scale of excess expenditure indicated total disregard of budget and inviolability of the appropriations made by the legislature. The ministry did not regularise the over-expenditure through a supplementary budget.

There is also an unadjusted Suspense Account amount of SDG 62,454(\$31227) included in the MoFEP Section.

Implications

The ministry has violated the Appropriation Act of the legislature overturning the parliamentary control over public expenditure. This means the officials have greater say over the application of public funds in comparison to the representatives of the people. If this trend is not arrested the importance of the legislature will diminish, democracy will not flourish and the need for voting for appropriations will vanish. In due course this can lead to disappearance of financial discipline in government.

Recommendation

In order to safeguard prioritisation of application of scarce public funds and protecting financial discipline in government suitable estimations of expenditure should be in place. Once the budget is voted by parliament the ministry should prune its expenditure to the level of funds made available and accordingly prioritised. In case of expenditure to meet emergencies Cabinet Affairs should take recourse to Supplementary Budget and not over spend with abandon as in the instant case where it was 475% in excess of the original.

b) Expenditure in Unauthorised Chapters SDG 13,811,346

The MoCA spent SDG 13,811,346 without budget approval as listed below;

	SDG
Personal Allowance Paid as Part of Salary	698,596
Specialized Materials and Supplies	1,575,402
Scholarships / Other Educational Benefits	150,156
Civil Authority Pension/ Retirement Benefit	10,203,060
Emergency Refugee Assistance	1,184,132
<i>Total</i>	13,811,346

Implications

The SDG 13,811,346 spent on unbudgeted items undermines the effectiveness of the budget as an instrument of directing expenditure to areas most in need and derails the attainment of the government's set objectives as outlined in the budget book.

Recommendation

The Ministry should improve the budget making process within the ministry and monitor the actual expenditure every month. Any unanticipated expenditure should be incurred only after a supplementary budget is presented to the legislature.

c) Budgetary savings of SDG 567,966 expended without approval

SDG 567,966 savings in some budget codes were expended without seeking supplementary appropriation approval. The ministry officials expended these savings contrary to Section 3(4) of the FAPO which states that "*Funds approved in the general budget, supplementary appropriations and savings not expended by the end of the fiscal year are dropped*". These are listed below;

	Actual SDG	Approved SDG	Savings SDG
Training	-	10,000	(10,000)
Other Operating Expenses	21,806	100,000	(78,194)
Other Miscellaneous, Current Transfers, Grants & Subsidies	270,228	400,000	(129,772)
Civil Works	-	350,000	(350,000)
Total	292,034	830,000	(567,966)

Implications

The savings realised on some budget codes and diverted for use on other budgetary codes amounts to unauthorised expenditure.

Recommendation

In cases where savings made on one budgetary head are required for a different budget head, the ministry should request for approval of virement of the savings from Finance.

5.3. Operating Expenditure

a) Excess expenditure

Operating expenditure amounted to SDG 23,110,496, as against the authorised budget of SDG 1,886,848. The excess expenditure amounted to (112%) SDG 21,223,648.

Implication

Expenditure without budget allocation means the legislative powers have been overridden by the executive. This is a violation of the privileges of the Assembly.

Recommendation

Budget should be prepared with care to include all anticipated expenditure during the year. Any unforeseen expenditure can be incurred after the Assembly approves the supplementary budget

b) Cash withdrawals (SDG 7,830,764) not accounted for.

SDG 7,830,764 withdrawn from the bank was not recorded in FF 19. These funds were not deposited in the Ministry treasury and were not recorded in the cash register as required under FAPO 86. The monies were charged against the Ministry budget but no accountability was availed to support the expenditure.

Cheques to individuals for this amount were issued contrary to the instructions of the Undersecretary to transfer these funds direct into the MOCA bank account. The details are:

Date	EV.No.	Chq. No.	Particulars	Amount SDG
23 Jan 2007	3546	682	Donations and Spare Parts	350,600
17 Dec 2007	5347	2043	Peace day Celebrations	6,412,672
12 Dec 2007	5348	2039	Accommodation	618,512
19 Jul 2007	863	1012	Upkeep and Travel expenses	98,980
31 Aug 2007	1123	1637	Hosting UN Sec General	350,000
			Total	7,830,764

Implications

As neither the cash withdrawn was deposited into the chest nor is the transaction recorded in the cash book there risk of government having been defrauded for SDG 7,830,764.

Recommendation

Cabinet Affairs should order an investigation and fix responsibility on erring officials. Recovery of money should be reported to Audit within six months.

Since audit was based on samples an internal review be undertaken to ascertain of all such personal cheques issued by the Ministry in the last three years on an expeditious basis to make full recoveries in all such cases.

The Director of Finance and Administration Cabinet should put in place strict custodial and monitoring controls to ensure that all outstanding advances are accounted for before closure of monthly accounts.

MoFEP should enquire into any probable collusion for issue of such individual cheques in preference to transfer of funds, as requested by Cabinet and strictly forbid the practice.

c) Excess Transfers expended without approval

Audit compared the cash requests made by MOCA to the transfers effected by MOFEP and noted that the transfers exceeded the requests by SDG 899,862 as shown below;

Date	EV. No	Chq. No.	Purpose	Amount Requested SDG	Amount transferred SDG	Overpayment SDG
10.05.2007	3981	TRF	Gratuity	115,450	144,312	28,862
10.05.2007	3981	TRF	Gratuity	115,450	144,312	28,862
19.10.2007	4733	1766	Gratuity	75,100	150,200	75,100
Appendix 1			Salaries	4,032,984	4,743,032	710,048
19.07.2007	863	1012	Claims	51,500	98,980	47,480
23.01.2007	3546	682	Claims	343,090	350,600	7,510
-	4792	-	Medical	2,000	4,000	2,000
			Total	4,735,574	5,635,436	899,862

Implications

Excess transfers lead to busting the budget and unauthorised expenditure. In extreme cases it can lead to misappropriation. Owing to the inadequacy of the financial records, we were not able to trace and match excess transfers to particular expenditure at Cabinet Affairs.

Recommendation

Keeping in view that audit has highlighted the issue on the basis of sample testing Finance should order a review of all excess transfers and rule out any possibility of collusion. Now that internal audit has been established this should be a priority task for the new internal audit. Such review should be for 2007 -2010 to plug the loopholes in the system and to rule out any defrauding of government.

The head of the Finance and Administration unit at cabinet Affairs should ensure that transfers are matched to requests and excess transfers are immediately notified to Finance. Also excess public funds received are properly expended and accounted for.

d) Double payments to retirees

Audit noted some retirees received entitlements twice while one was paid without supporting documents. The details are;

Date	EV. No	Chq. No.	Payee	Amount SDG
28.07.2007	4335	TRF	Available	115,450
04.10.2007	4764	TRF	Available	115,450
10.10.2007	4806	1712	Available	90,595
12.09.2007	4674	TRF	Available	115,450
11.06.2007	4941	TRF	Available	115,450
			Total	552,395

Implications

Public funds totalling SDG 346,350 were lost in the absence of a proper system for payment to the retirees.

Recommendation

MOCA should institute a time bound recovery process in such cases. Also it should place an onus on the retiree against receiving any entitlement twice over by endangering future pension entitlements. Since Audit has only conducted sample testing, there could be several collusions between serving and retired employees. It is therefore recommended a joint review by MoFEP, MoCA and Ministry of Pensions be undertaken to rule out frauds and for plugging the loop holes in the present system.

e) Unaccounted releases for medical referrals SDG 664,000

SDG 664,000 was released for medical referrals abroad without referral letters from local medical experts. The patients did not indicate the treatment they were seeking and no evidence was available to indicate that the patients indeed were treated. The claims paid for these medical referrals were incredibly excessive and one was paid SDG 644,000 to seek treatment in the United Kingdom. The illustrative cases are :

Date	E.V. No.	Particulars	Amount SDG
11-Oct-07	4833	Available	644,000
10-May-07	3981	Available	20,000
		Total	664,000

Implication

In the absence of a code ministries are crafting individual policies resulting in nepotism and favouritism. The officials are taking advantage of the lacuna and defrauding the government.

Recommendation

Medical assistance paid for referrals abroad should be tracked for proof of treatment and utilisation of the advance. There should be a common code for all government employees for this entitlement to obviate cases of nepotism and favouritism. All such cases falling in 2007-2010 should be reviewed by internal audit on Priority to ensure there is no defrauding.

5.4. Payroll Costs

a) Excess Expenditure

Payroll costs for FY 2007 were SDG 13,242,086 against the budget of SDG 4,157,152 .The overrun was 202%.of the appropriation.

This enormous expenditure could not be cross verified with the Nominal Rolls for tallying various employee statistics like total number of employees, employees in each grade etc. Also employees who retired, resigned, died or dismissed were not paid by Cabinet Affairs cannot be certified in audit in the absence of nominal rolls

Implications

The consequences of budget busting have already been explained .The need for financial discipline is obvious. Otherwise there would be waste and corruption out of unbridled public expenditure.

All government units are required to maintain Nominal rolls (Establishment Form No. 10). The failure to maintain these at MOCA meant that audit could not verify whether:

- the classification of posts in the pay sheets were approved;
- vacancies were captured in the pay sheets, and;
- the retired /resigned/or removed employees were deleted from the pay sheets.

Recommendation

The head of the Establishment Directorate should ensure compliance with the public service procedures requiring the preparation of Nominal Rolls as provided for by the FAPO Article 271.The Ministry officials should ensure that a copy of the Ministry Nominal Roll is submitted to the Ministry of Labour Public Service and Human Resource Development for approval and record. Prior to payment of salaries, the pay sheets should be reconciled with the Nominal Roll to ensure accuracy in the computation, and that payment is made only to employees in service. Due to the absence of the nominal rolls and lack of employee files Audit recommends a head count being undertaken of all classified and unclassified staff.

b) Salary Transfers Spent On Operating Expenses

Cash requests for payroll were utilized to pay the bills of operating expenditure. Such diversions, undermining parliamentary control over public funds, amounted to SDG 710,048 (Appendix 2).

Implications

Budgetary controls were lost sight of. In addition such indiscipline can pave the way for wasteful procurements, favouritism and corruption as monies not voted or disclosed in budget were used for operating expenditure.

Recommendation

Finance should exercise care in releasing monies for salaries. Prescribed procedures like comparison with nominal rolls or comparison with previous month expenditure should be followed and net salaries computed in the pay sheets (Establishment Form No.13) should be checked. Had Finance exercised care when budget proposal was approved such cushioning under salary head would not have arisen.

Budget inviolability should be reiterated and erring officials of Cabinet Affairs summoned and warned

c) Uncollected salaries (SDG 30,833) unaccounted

The cashier in charge did not prepare a list of the unpaid salaries in the financial form No.23 (Deposit book) and issue a credit advice to the treasury. The sample test of audit revealed that salaries amounting to SDG 30,833 were not collected by the respective employees. These salaries were not deposited back to the treasury which is contrary to the provisions of FAPO Article 278(6). Although it appears not to be material, there could be control risks and audit was not able to determine whether these were genuine employees and whether they collected the salary at later dates.

Implications

There is a risk that the uncollected salaries could have been for fictitious employees. In the absence of evidence otherwise, there is a risk that the uncollected amounts were misappropriated month after month.

Recommendation

A full investigation should be undertaken to determine the actual number of both classified and unclassified employees in the ministry, and whether the uncollected salaries were subsequently paid. It is also necessary for the newly created internal audit to enquire why the prescribed procedures have not been followed by the Cash Department

d) Nonexistent employees

SDG 20,911 was paid to nonexistent employees. Auditors noted that salaries for these non-existent employees were collected by one individual for seven consecutive months. One official in the Directorate of Establishment indicated that the department had no knowledge of these employees nor do they have their employment files or dossiers (Appendix 5).

Implications

In the absence of honouring prescribed procedures for Payroll preparation and accounting of cash disbursements and balances there is good scope for misappropriation of funds. Such misappropriations are further facilitated by lack of supervision within the cash/finance wing of the Ministry.

Recommendation

The Finance and Administration Unit should get a review done of its practices in relation to payroll management to plug the loop holes. In addition the salaries of the classified staff should be released to the bank accounts as provided in FAPO Article 277. This will limit the risks of having ghost employees.

e) Double salaries paid SDG 10,486

Accounting procedures for the preparation of monthly salaries and pay sheets were being flouted. Reconciliation of employees tally (Appendix 3) and Gross salary (Appendix 4) for each month with that of the preceding month was not undertaken. Consequently the head accountant paid salaries twice in January 2007 to the supporting staff in the office of Vice President. Audit noted that payrolls were not verified and signed by all four officials charged with the preparation, approval and payment of salaries - Head of Accounts, Controller of Accounts, D/Internal Audit and D/Administration and Finance- as laid down in FAPO paragraphs 284 & 285(1 & 2) occasioning loss of public funds amounting to SDG 10,486.

Implications

Fictitious payments could result as the internal control checks such as the segregation of the preparation, checking, approval and payment of salaries were flouted.

Recommendation

The head of the Establishment Directorate should ensure compliance with the public service procedures for the preparation and payment of salaries requiring segregation of the duties of preparation, checking, approving and paying of the salaries to eliminate errors and instances of salaries duplication. Further a recovery process should be instituted to recover the SDG 10,486 erroneously paid. An explanation should be called from the supporting staff in the office of the Vice President as to why they accepted the salary twice over for January 2007

APPENDIX 1 - Actual expenditure GVs Approved Budget per Component

	ACTUAL	BUDGTED	BUDGET OVERRUN	BUDGET OVERRUN
	SDG	SDG	SDG	%
Basic Salaries & Wages - Permanent Employees	6,271,745	4,157,152	8,386,338	202%
Personal Allowance Paid as Part of Salary		0	698,596	0%
Goods and Services	99,720	22,000	77,720	353%
Communications	16,568	2,000	14,568	728%
Supplies and Services	39,888	600	39,288	6548%
Domestic Travel and Subsistence	968,060	180,000	788,060	438%
Foreign Travel and Subsistence	353,062	180,000	173,062	96%
Printing, Advertising, and information Supplies and Services	14,958	600	14,358	2393%
Rentals of Produced Assets	399,726	160,000	239,726	150%
Hospitality Supplies and Services	7,151,378	700,000	6,451,378	922%
Insurance Costs	52,150	10,000	42,150	422%
Training	0	10,000	-10,000	-100%
Specialized Materials and Supplies	1,575,402	0	1,575,402	0%
Office and General Supplies & Services	351,146	10,000	341,146	3411%
Fuel Oil and Lubricants	136,990	80,000	56,990	71%
Maintenance - Vehicles and Equipment	122,066	31,648	90,418	286%
Other Operating Expenses	21,806	100,000	-78,194	-78%
Scholarships and Other Educational Benefits	150,156	0	150,156	0%
Civil Authority Pension and Retirement Benefits	10,203,060	0	10,203,060	0%
Emergency Refugee Assistance	1,184,132	0	1,184,132	0%
Other Miscellaneous, Current Transfers, Grants & Subsidies	270,228	400,000	-129,772	-32%
Purchase of Office Furniture & General Equipment	80,550	40,000	40,550	101%
Purchase of Vehicles and Other Transport Equipment	907,640	66,000	841,640	1275%
Civil Works	0	350,000	-350000	-100%
Total	37,340,772	6,500,000	30,840,772	474%

APPENDIX 2 - Salaries utilized to pay Non-payroll Expenditure

Month	Salaries transferred SDG	Salaries paid SDG	Over payment SDG	Percentage
January	491,804	272,460	219,344	81%
February				
March	426,776	306,168	120,608	39%
April	529,730	388,876	140,854	36%
May	529,730	388,964	140,766	36%
June			-	
July	439,526	458,777	(19,251)	-4%
August	481,837	469,709	12,128	3%
September	481,837	472,530	9,307	2%
October	460,760	379,193	81,567	22%
November	450,516	437,767	12,749	3%
December	450,516	458,540	(8,024)	-2%
Total	4,743,032	4,032,984	710,048	

APPENDIX 3 – Reconciliation of employee's tally

	Constitutional post holders	Classified staff	Unclassified staff	Super scale	Cleaners and messengers	Police incentives	V.P. support staff	New constitutional post holders	President support staff	Staff in president house	Classified/unclassified staff KHRT office		Total
Jan	0	0	83	0	10	27	11	3	32	8	-	-	174
Feb	29	0	76	0	0	27	-	-	48	8	-	-	188
Mar	30	35	74	15	0	25	-	-	-	-	-	-	179
Apr	30	36	75	15	0	24	-	-	-	-	-	-	180
May	30	36	75	15	0	23	-	-	-	-	-	-	179
Jun	30	35	76	13	0	24	-	-	-	-	-	-	178
Jul	36	36	82	13	0	28	-	-	-	-	-	-	195
Aug	37	33	59	12	13	22	-	-	-	-	-	-	176
Sep	37	34	59	12	11	22	-	-	-	-	33	-	208
Oct	37	33	-	-	-	-	-	-	-	-	-	-	70
Nov		34	59		10	23	-	-	-	-	38	-	164
Dec	38	34	59	11	10	23	-	-	-	-	-	-	175

APPENDIX 4 - Analyses of Gross Pay

	Constitutional Post Holders	Classified Staff	Unclassified Staff	super scale	Cleaners and messengers	police incentives	VP support Staff	new constitutional post holders	President support staff	staff in president house	classified/unclassified staff KHRT office	Total
Jan	160000		25,350		2,680	4725	21,139		36,722	2,300		248,191
Feb	227,880		16,970			3,780			40,080	1,610		290,320
Mar	236,000	20,948	16,920	28,660		3,640						306,168
Apr	301,500	30,109	22,452	29,295		5,520						388,876
May	301,500	30,109	22,452	29,295		5,520						388,876
Jun	301,500	29,660	25,381	31,979		5,520						394,040
Jul	362,400	30,995	26,963	31,979		6,440						458,777
Aug	370,850	27,683	19,913	20,938	2,956	5,060					22,309	469,709
Sep	371,850	28,465	21,063	21,938	2,717	5,060					19,700	470,793
Oct	363,850	15,843										379,693
Nov		26,658	20,069		2,223	5,290					19,677	73,917
Dec	367,800	26,658	20,069	19,300		5,290						439,117
Total	3,205,130	267,128	237,602	213,384	10,576	51,120	21,139	-	76,802	3,910	61,686	4,148,477

APPENDIX 5 – Non Existent staff

	Name of employee	Grade	January SDG	February SDG	March SDG	April SDG	May SDG	June SDG	July SDG	Total SDG
1	Available	15	213	170	170	262	262	262	262	1,601
2	Available	15	213	170	170	262	262	262	262	1,601
3	Available	15	213	170	170	262	262	262	262	1,601
4	Available	15	213	170	170	262	262	262	262	1,601
5	Available	15	213	170	170	262	262	262	262	1,601
6	Available	15	213	170	170	262	262	262	262	1,601
7	Available	15	213	170	170	262	262	262	262	1,601
8	Available	15	213	170	170	262	262	262	262	1,601
9	Available	15	213	170	170	262	262	262	262	1,601
10	Available	15	213	170	170	262	262	262	262	1,601
13	Available	15	-	-	-	262	262	262	-	786
11	Available	17	-	-	-	-	-	-	230	230
12	Available	17	-	-	-	-	-	-	230	230
14	Available	17	175	140	140	-	-	230	230	915
15	Available	17	175	140	140	-	-	230	230	915
16	Available	17	175	140	140	-	-	230	230	915
17	Available	17	175	140	140	-	-	230	230	915
	Total		2,825	2,260	2,260	2,882	2,882	3,802	4,000	20,911

NB: These salaries were signed for and received by one individual.

CHAPTER – FOUR

**MINISTRY OF EDUCATION,
SCIENCE AND TECHNOLOGY**

CHAPTER – 4

Introduction

The Ministry of Education Science and Technology with a spectrum of plans, a handsome budget and a socially material programme is critical to the development aspirations of Southern Sudan. The budget for FY 2007 was USD 111,750 which constituted 7% of the total budget of GoSS for the year.

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures and
- vi) To verify compliance with generally accepted accounting principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure and.
- Ascertainment of the existence and application of the internal and budgetary controls
- Stewardship of Public Assets and
- Disclosures in accordance with Generally Accepted Accounting Principles.

4. Conclusion.

Despite being a socially material and developmentally critical ministry the financial administration in the ministry was lax. There were no supporting documents for SDG 11.7 million in respect of Operating Expenditure. Out of this unsupported Student Support expenditure was SDG 4.5 million. There were no vouchers for SDG 1.1 million in respect

advances paid for Training Workshops. In respect of SDG 11.3 million of Capital Expenditure the cash requests and final expenditure could not be matched. SDG 8 million provided in the budget for casual and temporary workers was misapplied. Expenditure of SDG 6,639,849 did not have budget codes and consequently the allocation of this expenditure could not be verified vitiating the financial statements of Ministry of Education, Science and Technology and GoSS. In these extreme circumstances Audit regrettably records its inability to express an opinion (Disclaimer).

5.0 Findings

5.1 Operating Expenditure

i) Unsupported operating expenses

Sample test audit of cheque payments and payment orders revealed SDG 11.7 million did not have support documentation. Of this SDG 6,639,849 related to cash payments and SDG 5,047,070 to cheque payment. 90% of the samples selected lacked support documents. (Appendices 2 and 3).

Implications

Unsupported expenses are high and there was total disregard for financial rules and the likelihood for corruption risk. Management override of internal controls is obvious. With SDG 11.7 million worth of vouchers missing, audit is compelled to record inability to form an opinion (Disclaimer) and cannot certify the correctness of the accounts of the ministry.

Recommendations

A thorough and quick special investigation is recommended.
MoFEP and the Accounting Agent in MoFEP should tighten controls on this ministry while approving monthly transfers.
Internal audit should immediately commence a large scale system review.

5.2 Payroll Expenditure

i) Unsigned salaries

Sample testing showed the pay sheets of Arapi, Maridi and Aramweer Training Institutes and Maridi Curriculum Development Centre were found to be missing.
In addition it was observed that where pay sheets for these four institutions were available, they did not have the signatures of the employees as acknowledgement of having received the salaries.

Implication

This is inconsistent with FAPO section 278 (5) which requires employees' signatures to the Payment Orders as evidence of having been paid. There is a risk that salaries could have been paid to ghost employees or money misappropriated by staff.

Recommendation

Internal audit should tighten the controls

ii) Unpaid salaries unaccounted

Finance Accounts Form No. 23 (unpaid salaries register) was not maintained and salaries amounting to SDG 124,408 were unpaid. Of this SDG 99,536 was uncollected at the head office and SDG 24,872, uncollected at the institutes. These were not paid back to Treasury.

Implication

Failure to maintain Finance Accounts Form NO. (23) meant the risk that unpaid salaries can be misappropriated.

Recommendation

Finance Accounts Form NO. (23) should be maintained to record the unpaid salaries. Internal audit should ensure this.

The SDG 124,408 being the unpaid salaries should be tracked

iii) Use of unauthorized forms

Excel Payrolls and the Nominal Roll used are inconsistent with the FAPO that requires pay sheets to be printed and serially numbered. Nominal rolls were not dynamic in recording details of recruitment, retirement, resignation, dismissal, promotion and grades of pay due.

Implication

The risk of errors and omissions in payrolls going undetected remained.

In the absence of dynamic nominal roll there was scope for and misappropriation of public funds through faulty pay rolls including ghost workers.

Recommendation

MOEST should have an appropriate payroll /nominal roll system . MoFEP should insist on this before pay bills are passed. Internal Audit should immediately enhance internal control systems.

iv) Variations in basic pay

Basic pay for some ministry staff varied from month to month. Some staff received higher salaries in some months and lower in other months. These changes had not been updated in the Nominal Roll as required by FAPO section 275 (1) and received appropriate authorization.

Implications

Use of MS Excel as a payroll form facilitates easy manipulation of salaries due and thus defrauding the government.

Recommendation

Departments of Human Resources and Finance and Administration in the ministry should dynamically maintain the Nominal Roll to ensure that salaries paid are as per the salary structure fixed by the Ministry of Public Service.

Internal audit should immediately review and recover excess salaries paid.

Management Comments

Officials who participated in defrauding the government should be investigated.

MoFEP should upgrade systemic controls to prevent such faulty pay rolls getting approved

v) Large cash balances held

Large amount were held in cash in the months of: February SDG 216,746;
June SDG 306,020; July SDG 306,020; August SDG 307,066

Implication

This practice was a security risk and facilitated fraudulent application of funds.

Recommendation

Salaries to classified staff can be through cheques as provided under FAPO section 277

vi) Misapplication of Pay roll funds.

SDG 222,144 was obtained as cash transfers for salaries from Ministry of Finance and Economic Planning and applied to non pay roll expenditure (Appendix 1).

Implication

This amounts to shifting of funds from one budget head to another without approval from the Assembly. Further the financial statements of GoSS remain falsified to this extent.

Recommendation

Reliable nominal rolls should be in place.

5.3 Budget Execution

i) Over expenditure

Review of the general ledger in Ministry of Finance and Economic Planning revealed that Operational Expenditure of Ministry of Education, Science and Technology was SDG 20.4 Million and the budget SDG 17.9 million. The over expenditure was SDG 2.5 Million.

Audit could not match the specific cash requests for operational costs to the final expenditure in the records maintained.

Implication

In the absence of records in MoEST to track and match transfers from MOFEP budget integrity cannot be certified.

Recommendation

The Ministry should seek supplementary grants when additional funds are needed so that prioritizations of expenditure approved in the annual budget are not violated and some other ministry is not funds starved.

Budgets voted by the Assembly are inviolable and the executive ministries cannot over ride the powers of the legislature.

The Ministry should send monthly returns of actual expenditure to the Ministry to enable the Free Balance ledger to capture the actual expenditure as opposed to the current system where ledger captures transfers made to the Ministry.

ii) Budgetary controls

The Ministry did not maintain a ledger for budget control purposes showing individual budget line items, amounts spent to date and the balance yet to be utilized.

The ministry had moved funds from one budget item to the other without having revised the budget or obtaining approval by the Ministry as required by FAPO.

Implication

In the absence budgetary control, ministry budget may be overspent. The Ministry is reallocating funds between budget heads without formal virements and in violation of legislative powers.

Recommendation

Department of Administration and Finance should maintain a ledger to monitor expenditure. The Ministry should seek approval Finance for virements or Supplementary grants. Internal Audit should insist on this requirement.

iii) Absence of account codes on financial accounting forms

Payment orders and Financial Accounting Form No.17 used to initiate payments did not have chargeable codes for SDG 6,639,849. These codes are used to post expenditure into ledgers. As a result, the expenses disclosed in the GOSS financial statements may not have been appropriately classified.

Implication

In the absence of codes on the Financial Accounting Forms that are used to post transactions into the general ledger, there is risk of misclassifications in the accounts and falsifications of GOSS financial statements. As a further consequence Finance was not able to reconcile the transfers made to Education during the year.

Recommendation

The Department of Finance should ensure that all Financial Accounting Forms are coded, based on the budget line items as well as sub line items. Internal Audits should initiate test checks.

5.4 Cash Management

i) Scholarships and financial assistance to students

Students' Support, Emergency Returnee Assistance and Scholarships amounted to SDG 7.5 million. Based on the payment orders and check payments, audit was not able to verify the beneficiaries of the financial assistance for the sample amounting to SDG 4.5 million.

Specifically, there were no support documents such as lists of beneficiaries with their names, admission reference, students' locations, details of learning institutions, courses of study etc.

Since these payments have been made for several years, there is high risk that huge public funds have been misapplied.

Review also revealed that payments were made to beneficiaries from the same family. Also the Ministry officials travelled abroad with cash to personally pay the beneficiaries.

Implication

The practices adopted to disburse these funds have violated of fundamental financial rules. Details of the beneficiaries, their addresses, family details and institutional details are missing, warping the audit trail. Personal delivery of cash abroad in preference to bank transfers is fraught with high risk in this high volume transaction.

Recommendations

A register of beneficiaries with institutional details, bank details, passport details and family details will establish an audit trail. Receipts for money received should be obtained from all.

Disbursements to students and institutions of learning should be through bank transfers. The institutions should provide indemnity bonds to accept fees etc only for continuing scholars.

South Sudanese embassies/consulates/Liaison of Offices abroad should be involved in to periodically identify beneficiaries.

Internal audit should streamline the systems and ensure that continued disbursements to ineligible students and ghost students are stopped forthwith.

Disbursements made in 2007 and thereafter should be investigated.

ii) Cash transferred unaccounted

Sample test audit revealed cash transfers through commercial banks to the states and other departments to meet the ministry's activities such as training, workshops, feeding of students etc were realized by individual officials and not accounted for. For instance, two officials were given SDG 45,248 and SDG 240,000 respectively to meet costs for unspecified activities. However these were not accounted for.

Implication

There is risk that cash transferred to individuals may not have been fully utilized for public use and possibly misappropriated. In the absence of support documents audit cannot certify that funds were utilized for the purposes for which cash transfers were made.

Recommendation

Such cash transfers should be to State ministry's bank accounts in the states and not to individual officials.

Officials who have received such funds should retire these in a time bound manner.

Internal audit should provide a monthly report on advances retired and pending retirement. Last three years' cash transfers should be reviewed and pending money should be recovered.

iii) Allowances on training and workshops

Additional allowances such as travelling allowance, per diems, incentive allowance etc were paid to the participants and organizers of training courses and workshops, For instance, incentive allowances, otherwise referred to as Saturday/Sunday allowance of SDG 833,099 was paid to all the ministry staff as if all were on duty on various Saturdays and Sundays. Given that this expenditure is not allowed under the approved budget, it amounts to irregular expenditure.

Also sample test showed allowances paid amounting to SDG1.1 million did not have documentation.

Such training activities do not have activity budget to guide the scale of advances to be released.

Implications

In the absence of proof of payment to the trainees and participants the risk of misappropriation of public funds cannot be ruled out.

Recommendation

Internal Audit should institute submission of Estimates for Activity to enable release of advances

iv) Fictitious budget allocation for temporary and casual labor

SDG 8 million was allocated for temporary and casual labor which was 40% of the budget for operating expenditure. But no payment was made under this budget line item. Obviously the ministry is re-allocating funds from this line item.

Implication

Audit was not able to track and match transfers to the Ministry for temporary and casual labor cost. There is risk that cash requests may have been utilized on other items.

Recommendation

The Ministries of Education and Finance should improve budget making processes to exclude fictitious line so that the Assembly is not misled to vote fictitious line items.

5.5 Capital Expenditure

i) Cash requests for capital expenditure

SDG 11.3 Million was either requested for or has been utilized by the ministry in acquiring furniture, equipment and motor vehicles. But audit was not able to match specific cash requests for these purchases and the final expenditure. For instance, SDG 217,682 requested towards the end of the year for purchase of furniture and equipment was utilized for operating expenditure.

Implication

In the absence of ledgers cash requests for capital expenses could not be tracked and matched to expenditure on assets. There is likelihood of risk that capital expenditure provision was used for operating expenditure and Appropriation was violated.

Recommendation

MOEST should honor budget allocations made by the Assembly. Should there be a need to re allocate funds MOEST should seek approval of the Ministry of Finance/Assembly for virement.

ii) Absence of asset register

The ministry did not maintain an asset register to detailed record of all fixed assets.

Implication

Absence of an asset register compromises stewardship of assets and assets can be misappropriated.

Recommendation

MOEST should prepare an asset register to record all details of assets such as type of asset, make, model, serial number, cost of the asset and the custodian among other particulars.

5.6 Internal control environment

i) Governance: Based on the sample tests, audit observes that the culture of accountability is absent and control environment elements do not combine to provide an appropriate network. For instance internal control such as approval and authorization exists but other components of control have been undermined such as individuals handling large sums of cash. The Ministry failed to remedy known significant deficiencies in internal controls even after the Legislative Assembly had raised concerns.

ii) Capacity building and training needs: Auditors understand that the key personnel under the Directorate of Finance and Administration do not possess appropriate and adequate skills to execute their jobs. The Ministry seems not to have considered the competence levels for particular roles especially in financial management. These skills are essential elements as they influence the effectiveness of the design, administration and monitoring of controls.

Implication

Due to the inadequacies noted in the financial management and control and the lack of skilled personnel, there is risk of significant misuse or misappropriation of public funds and assets.

Recommendations

Auditors recommend that an Audit Committee for the Ministry should be put in place to provide oversight on the Internal Audit Department. More audit staff should be recruited and trained in order to carry out the following.

Monitor internal controls and enable disposal of audit comments in the Management Letters and Audit Reports

Examine financial and operating information

Ensure that the Department's activities are properly planned, supervised, reviewed and documented.

This will enhance accountability.

Appendix I: Salary cash utilized for Non-Payroll Expenditure

Month	Salaries transferred SDG	Salaries paid SDG	Excess Transfer SDG	Under/over Percentage
January	209,350	181,118	28,232	16%
February	216,746	146,283	70,463	48%
March	218,174	218,174	0	Nil
April	297,743	268,829	28,914	11%
May	295,138	237,163	57,975	24%
June	306,020	275,285	30,735	11%
July	306,020	283,999	22,021	8%
August	307,066	288,811	18,255	6%
September	307,066	332,240	(25,174)	(8%)
October	286,035	265,734	20,301	8%
November	256,769	251,236	5,533	2%
December	256,769	291,880	(35,111)	(12%)
Total	3,262,896	3,040,752	222,144	7%

Appendix 2 - Unsupported Cash Payments

Date	Payment Order No.	Name of payee	Nature of Expenditure	Amount SDG
22/05/2007	79309	Available	Hire of hall for meeting	10,000
05/08/2007	773001	Available	Joint trip to greater Bahr El-Ghazal	29,820
05/08/2007	773009	Available	Draft Policy	2,880
18/05/2007	773017	Available	Saturday allowance	2,750
18/05/2007	773056	Available	students upkeep	10,000
19/05/2007	773062	Available	Donation-Min. of Education WES	15,000
10/01/2007	775005	Available	Cost of fuel	12,420
02/09/2007	775018	Available	Feeding students & air tickets	10,000
13/02/2007	775024	Available	Students feeding -Sheikh Lutif/returnee students	97,500
13/02/2007	775026	Available	Sub. Allowance to returnee students	40,000
14/02/2007	775028	Available	Air tickets and accommodation	79,950
14/02/2007	775029	Available	Fast track Program in Yei/Wau	55,855
14/02/2007	775030	Available	Various payments	37,275
14/02/2007	775032	Available	Examination Board visit	33,250
14/02/2007	775033	Available	procurement of ICT papers	2,247
16/02/2007	775038	Available	Fund for children hood	31,105
16/02/2007	775039	Available	support for Literacy in Juba	95,368
16/02/2007	775040	Available	Training	276,491
20/02/2007	775042	Available	Fast track programme-Wau /Yei/ Malakal	114,665
20/02/2007	775043	Available	Accommodation	13,174
20/02/2007	775043	Available	Cost of fuel	21,140
20/02/2007	775044	Available	Refund	35,838
20/02/2007	775045	Available	Training (TOT) workshop	43,323
20/02/2007	775045	Available	Training (TOT) workshop	4,345
20/02/2007	775046	Available	Training (MD) workshop	53,025
20/02/2007	775046	Available	Draft Policy	10,500
03/01/2007	775050	Available	Food/Non food items	127,308
03/01/2007	775050	Available	ToT's workshop	43,323
03/01/2007	775050	Available	Expenditure not known	33,476
03/09/2007	775054	Available	SPLA planning workshop	13,360
03/09/2007	775060	Available	Adult Literacy Development Fund	223,917

Date	Payment Order No.	Name of payee	Nature of Expenditure	Amount SDG
03/09/2007	775061	Available	Training of trainers	164,995
03/09/2007	775062	Available	Minister's office	4,900
03/07/2007	775077	Available	Expenditure not known	146,283
19/03/2007	775078	Available	Cost of fuel	20,540
20/03/2007	775078	Available	stationery	14,500
23/03/2007	775087	Available	Various payments	124,220
24/03/2007	775092	Available	Air tickets	214,616
15/04/2007	775181	Available	Feeding students in Khartoum	120,000
15/04/2007	775181	Available	Feeding students in Khartoum	50,000
18/04/2007	775181	Available	stationery, transport, incentives	5,000
18/04/2007	775202	Available	Expenditure not known	219,211
18/04/2007	775235	Available	Cost of fuel	2,710
23/04/2007	775238	Available	Books delivery	16,000
23/04/2007	775241	Available	Fast track phase-bill	11,664
30/4/2007	775333	Available	Renovation of Undersecretary house	12,567
31/01/2007	775514	Available	Cost of fuel	10,420
21/12/2007	781700	Available	Students feeding	15,000
19/05/2007	793065	Available	service for the Undersecretary	35
19/05/2007	793066	Available	Accommodation for returnee students	240,000
19/05/2007	793067	Available	Cost of fuel	21,650
22/05/2007	793072	Available	Students feeding& Electricity bills	35,730
22/05/2007	793095	Available	hire of Juba university hall	10,000
22/05/2007	793100	Available	DSTV cost for mess	2,360
18/6/2007	793173	Available	Accommodation of staff	4,000
20/6/2007	793190	Available	Cost of fuel	3,260
26/06/2007	793209	Available	Students accommodation in Juba university	91,800
26/6/2007	793210	Available	Graduation Ceremony Expenses	6,880
27/06/2007	793218	Available	Students accommodation in Sheikh Lufti-Khartoum	97,500
26/6/2007	793224	Available	Cost of fuel	21,230
27/06/2007	793230	Available	support funds for universities	893,080
3/7/2007	793273	Available	Rent Bill for student	2,480

Date	Payment Order No.	Name of payee	Nature of Expenditure	Amount SDG
4/7/2007	793280	Available	DSA	10,720
5/7/2007	793293	Available	Girl Education Day Fund	20,175
5/7/2007	793296	Available	Allowances for support-staff	42,000
18/07/2007	793351	Available	Feeding students in Khartoum	120,000
19/7/2007	793355	Available	Amount Released for workshop	16,000
19/7/2007	793438	Available	Examination expenses	40,000
17/8/2007	793485	Available	Air- Ticket bill	2,309
17/8/2007	793488	Available	Air- Ticket bill for Air ticket co. Ltd	230,918
21/08/2007	793604	Available	3% students for June	12,000
4/9/2007	793647	Available	Cost of installation of VSAT	7,500
5/9/2007	793653	Available	Payment for world literacy	56,286
5/9/2007	793653	Available	Cairo Office	140,481
7/9/2007	793654	Available	Incentive	4,200
10/9/2007	793679	Available	Amount for military exemption	19,000
12/9/2007	793701	Available	Office service fund for U/S	7,000
14/06/2007	793701	Available	Students bursary-Egyptian scholarship	26,000
28/7/2007	793749	Available	Cost of Trip to S-Africa	244,254
19/10/2007	793799	Available	Fuel for the ministry	20,300
19/10/2007	793799	Available	students payments	11,000
22/10/2007	793805	Available	Students bursary-Egyptian scholarship	70,000
2/11/2007	793842	Available	Feeding student in Egypt	58,500
11/02/2007	793842	Available	Feeding students in Egypt	58,000
11/02/2007	793843	Available	Feeding students in Juba	58,000
11/02/2007	793844	Available	Expenditure not known	39,714
11/02/2007	793845	Available	Students bursary-Khartoum	166,800
11/02/2007	793847	Available	Students bursary	144,000
16/11/2007	793867	Available	For various payment	45,427
19/11/2007	793888	Available	Amount for national language	89,900
19/11/2007	793891	Available	For training ECD managers	56,700
20/11/2007	793900	Available	For communication accessories	29,100
21/11/2007	793906	Available	Air- Tickets	51,250
1/12/2007	793984	Available	Accommodation	19,700
21/12/2007	796902	Available	Tuition fees for 3 universities	165,600

Date	Payment Order No.	Name of payee	Nature of Expenditure	Amount SDG
21/12/2007	796906	Available	Students feeding	11,000
21/12/2007	796907	Available	Students feeding	22,000
21/12/2007	796924	Available	Cost of empty sacks	10,000
22/12/2007	796934	Available	Part of outstanding claim	40,000
22/12/2007	796939	Available	Outstanding claims	180,000
22/12/2007	796949	Available	Staff incentive & T.A	40,360
31/12/2007	796969	Available	Cost of mattresses ,pillows, blankets	71,720
20/12/2007	7816482	Available	TVET Curriculum policy framework	20,000
			TOTAL	6,639,849

Appendix 3 - Unsupported Cheque Payments

Date	Cheque No	Name of Payee	Nature of Payment	Amount SDG
7/3/2007	79	Available	Amount release for Support to 600 returnee Student	120,000
13/8/07	454	Available	Outstanding Bills	300,000
14/8/07	460	Available	Outstanding Bills	245,148
14/8/07	455	Available	Outstanding Bills	500,000
14/8/07	457	Available	Outstanding Bills	179,414
14/8/07	456	Available	Outstanding Bills	155,950
14/8/07	564	Available	Outstanding Bills	108,000
14/8/08	474	Available	Outstanding Bills	104,740
14/8/08	476	Available	Outstanding Bills	70,260
14/8/07	466	Available	Outstanding Bills	44,384
14/8/08	468	Available	Outstanding Bills	36,450
14/8/07	469	Available	Outstanding Bills	40,500
14/8/07	473	Available	Outstanding Bills	25,200
14/8/07	475	Available	Outstanding Bills	27,650
14/8/07	470	Available	Outstanding Bills	15,308
14/8/07	471	Available	Outstanding Bills	11,170
14/8/07	465	Available	Outstanding Bills	9,634
14/8/07	461	Available	Outstanding Bills	13,800
14/8/07	480	Available	Cash released to meet Students Bursaries	100,000
12/9/2007	488	Available	Outstanding Bills	75,174
12/9/2007	489	Available	Outstanding Bills	191,523
6/9/2007	486	Available	Formulation of Law & Regulations for Rumbek University	50,000
14/11/07	509	Available	Hotel bills	16,416
14/11/07	511	Available	Amount released to meet Road transport	73,800
14/11/07	512	Available	Amount release tom meet Hotel Bills	47,247

Date	Cheque No	Name of Payee	Nature of Payment	Amount SDG
14/11/07	514	Available	Accommodation bills	17,000
14/11/07	517	Available	Cost of laptops	40,500
14/11/07	518	Available	Cost of VSATS	36,450
16/11/07	523	Available	Girls child Education day	51,360
	75	Available	Outstanding claims in the ministry	731,695
	495	Available	Assistance for scholarship	30,900
	485	Available	Student Bursaries	100,000
	101	Available	Fund for three universities in Southern Sudan	906,280
	464	Available	Outstanding Bills	108,000
	66	Available	Supply of 15 VSAT \$ Installation	178,605
	72	Available	Procurement of ICT Equipment	166,163
	497	Available	For purchase of Books	33,300
	67	Available	30 laptops & network in the ministry	85,050
	TOTAL			5,047,070

CHAPTER – FIVE

**MINISTRY OF FINANCE AND
ECONOMIC PLANNING**

CHAPTER – 5

1. Introduction

Ministry of Finance and Economic Planning sets the standards of financial discipline, effectiveness of internal audit and standards of disclosure for all the ministries of GoSS. The tone and tenor of financial administration in the public sector of Southern Sudan can only move in tandem with the achievements of this ministry in providing regulatory structures and examples of practice. Realising this importance audit of this ministry was undertaken.

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, supporting documentation and public assets
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures
- vi) To verify compliance with generally accepted accounting principles

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure and.
- Ascertainment of the existence and application of the internal and budgetary controls
- Stewardship of Public Assets.
- Disclosures in accordance with GAAP

4. Conclusion

MoFEP had not instituted exemplar systems of internal control and archiving of documents to protect audit trail. 33% pay rolls selected for audit could not be availed and vouchers for USD 2,283,820 were not availed. Seventy Eight members of the staff on the pay roll were not in the nominal roll. Staff files were not maintained and 14 out of 20 staff files asked for were not availed. Expenditure of USD 2,283,820 was without supporting documents. Procurements were in compliance with IPPDR and copies of contracts for construction or capital procurements could not be availed to audit. The financial statements were delayed by several months and even then suspense accounts were relied upon to close the accounts. Consequently USD 114,934,078 was the suspense balance making the expenditure amounts in several accounts faulty.

5. Findings

5.1 Payroll Costs

i) Pay sheets not retained

Audit was not provided with thirty three percent of the payrolls (Establishment Form No.13) for the ten departments of the Ministry (Annexure 1). Section 261(1) of the FAPO stipulates that at the end of the financial year the financial books, forms and vouchers are to be collected and kept in a safe accessible place for the purposes of auditing and inspection.

Implications

In the absence of these significant documents, audit has been disabled to verify the total salary costs or ascertain that they were paid to legitimate employees at the right rates.

Recommendation

The Ministry should honour the FAPO and archival pay rolls to enable review and audit.

ii) Salary paid to ghost employees

Seventy eight staff had been paid salary without the names in the nominal roll (Appendix 2).

Implications

This may imply payments were made to nonexistent or ghost employees, and thus misappropriation of public funds.

Recommendation

The Director of Establishment should ensure compliance with Rule 271 of the Financial and Accounting Procedures Ordinance. The Ministry should submit a copy of the nominal roll to the Ministry of Labour, Public Service and Human Resources Development for approval.

Prior to payment of salaries, the pay sheets should be reconciled to the nominal roll to ensure accuracy in the computation and that payment is made only to employees in service.

A head count can be undertaken regarding the number of employees. Salary paid to ghost workers or misappropriated otherwise should be recovered within six months and intimated to audit. Responsibility should be fixed for the misappropriation and officials found guilty should be punished.

iii) Defective Staff Dossiers

Fourteen staff dossiers out of the sample of twenty requested for were received. Even these fourteen files did not contain significant information and documents like appointment letter, Nationality Certificate, Birth or Assessment of age and Educational Qualifications. Section 271 (1) of FAPO states: 'Records of service in respect of the classified employees (Establishment Form No.10) are based on their service dossiers.'

Implications

If staff does not have a personnel file or the staff files do not contain all relevant documents as noted above, staff could be paid for the wrong job or grade.

In the absence of personnel files fraudulent payments of public funds can be made to persons who are not bona fide employees of the Ministry.

Recommendation

The Director of Personnel should review employees' records, the nominal rolls and pay sheets with the help of internal audit. It should be ensured that each member of the staff has a file with all relevant information, is paid the right salary within the approved budget and for the right position and grade.

The Ministry of Finance in collaboration with the Ministry of Labour and Public Service ensure that pay sheets are prepared using the particulars available in the nominal rolls (Established Form No.10)

5.2. Operating Expenditure

i) Expenditure without supporting documents

Section 386 (1) of the FAPO states: "No expenditures shall be charged against the budget except those approved, provided that payment shall be by cheques or payment order supported with bona fide vouchers." The table below shows illustrative instances where supporting documentation was unavailable.

No.	Mode of Payment	Date	Beneficiary/Payee	Amount USD
1	TL 3	19/04/07	Conditional Transfer – KPMG East Africa	231,864
2	EV/3594		Conference expenses- MoFEP	45,386
3	TL 15	07/03/07	Operation expenses-MoFEP/Verious ministries	127,051
4	EV/3594		States' Accounts Seminar	45,386
5	Cheq.2016	13/12/07	Maintenance of vehicles-Mofep/Bona Alith	155,000
6	Cheq.2016	13/12/07	Operation expenses-MoFEP	137,438
7	Cheq.1740	10/10/07	Operation expenses-MoFEP	684,097
8	Cheq.956	26/06/07	Other maintenance-MoFEP - Bona Alith	130,626
9	Cheq.461	20/08/07	MoFEP – A/c fee /KPMG East Africa	183,838
10	Cheq.2016	13/12/07	Maintenance of plant & machinery- MoFEP- Bona Alith	88,177
11	EV/5632		Fence refurbish expenses- MoFEP	49,261
12	EV/4786	10/10/07	Liaison Office Khartoum	405,696
Total				2,283,820

Implications

In the above cases the fact of the payments or the correctness of the amounts cannot be certified. The processing of payments without supporting documentation will lead to misappropriation of Government funds.

Recommendations

The Ministry should ensure that all expenditure vouchers are supported by proper documentation, including invoices, receipts, contracts, completion certificates, proof of delivery of goods and services, approved request for payment, etc and must ensure that all copies of vouchers and supporting documents are retained and filed properly.

5.3. Development and Capital Expenditure

i) Procurement Processes

In the few years following its inception, GOSS was confronted by critical limitations with regard to procurement.

- The staff in the Ministries did not have adequate knowledge and experience in Procurement procedures
- There was rapid development and there was pressure to bypass procurement procedures for expediency.
- There was a lack of local businesses, suppliers and investors in the private sector;
- There was inadequate legislation and regulation of procurement.

The government addressed these constraints by the appointment of Crown Agents as the External Procurement Agent on 22 December 2006. Crown Agents were mandated to train Government officials on Procurement and handle all procurement centrally to ensure compliance with the regulations in place. There was however no significant improvement in the procurement procedures or capacity despite the appointment of Crown Agents.

The Interim Public Procurement and Disposal Regulations (IPPDR) came into force in August 2007. These regulations stipulate the manner and thresholds which are to be applied in the procurement of goods and services particularly in the areas of:

- public tender ;
- limited tender;
- direct contracts; and
- direct bids.

There are specified conditions under which each type of procurement procedure can be used, for example, limited tenders can only be used in cases of emergency and recourse to direct contracts is allowed only where competition is inhibited as a result of monopolistic practices. It is therefore apparent that if these regulations had been adhered to the procurement activities conducted in 2007 would have been credible and transparent.

ii) Lack of compliance

Audit observed that procurement activities in 2007 were not in compliance with the Interim Public Procurement and Disposal Regulations (IPPDR) or any legislation. Procurement was conducted in a highly uncoordinated manner, without due regard to economy, efficiency, effectiveness, and lacking in transparency. The procurement unit in the Ministry in most cases were not allowed to initiate procurements or perform their duties. They were given approved contracts and instructed to forward them to the Ministry of Legal Affairs and Constitutional Development.

Implications

Since Procurement Unit was not involved in tendering or selection of contractors and suppliers and international bids were not sought, the Government risked loss of money by paying more than the market value for goods and services.

Recommendation

Procurement activities should be centralised in the Procurement Unit of the MoFEP.

Procedures and practices prescribed in IPPDR should be followed.

Procurement Law should be enacted.

Contracts entered into by the ministries without the involvement of Procurement Unit of MoFEP should be reviewed for potential corruption.

The Ministry of Finance should not make payments only after ensuring that deliveries were completed and acknowledged by the ministries.

iii) Endorsement of contracts

The Ministry of Legal Affairs and Constitutional Development (MOLACD) is charged with the responsibility for checking and approving all binding contracts entered into by GOSS in terms of Article 138, 5(a) of the Interim Constitution of Southern Sudan. However audit review revealed capital payments like deposits for the construction of roads and bridges were made on the strength of letters from spending agencies to Finance without attaching a copy of the contracts. Also, copies of most of the contracts were not availed to Audit.

Implications

If contracts are entered into without being reviewed by the Ministry of Legal Affairs the Government will be exposed to unfair contract terms, contracts with unregistered businesses, contracts without performance guarantee or illegal contracts or contracts that cannot be fulfilled.

Non compliance with the provisions stipulated in the Interim Constitution might expose GOSS to the risk of illegal payments and wastage of public funds.
Substantial public funds will be lost, through uncontrolled contract agreements.

Recommendations

The Minister for Finance and Economic Planning should reiterate instructions on the procedures to be followed for procurement of capital goods or services.

The Ministry of Finance should not make any payment for capital goods or services unless the request is supported by a contract authenticated by the Ministry of Legal Affairs. Under the terms of the Interim Constitution any contract entered into, without the approval of the Ministry of Legal Affairs and Constitutional Development will bear no legal obligation to the Government.

All contracts entered into without authentication by the Ministry of Legal Affairs should be investigated by the Procurement Policy.

iv) Capacity Building

- In 2006 GOSS decided that poor procurement processes and inherent capacity weaknesses could be addressed through the engagement of an external Procurement Agent. The appointed Procurement Agent would concurrently provide capacity building and undertake procurement activities in conjunction with GOSS ministries. The Procurement Agent was appointed as the Procurement Agent on 22 December 2006.
- The terms of reference required the Procurement Agent to take lead in all aspects of the procurement cycle in conjunction with relevant ministry personnel especially the Public Procurement Unit of the Ministry of Finance. In addition, the Procurement Agent was to provide on-the-job and desk based training to the staff.
- The impact of the Procurement agent in improving procurement activities and capacities did not show any significant change in the year 2007.

Implications

- If procurement of capital assets and contracting large development projects is handled by staff that are not adequately trained and equipped this will lead to inefficient procurement and the risk of loss of funds.
- Rapid procurement in a development context without proper procedure risked public investments with poor quality of capital goods and future safety of the projects

Recommendations

The Ministry must ensure that all Procurement of capital expenditure, tendering and negotiation of contracts are handled by the Procurement Unit of the Ministry of Finance. The Ministry must ensure that the staff of the Unit are properly trained and equipped to handle all procurement issues. A Procurement Law enshrining best practices should be enacted.

5.4 Suspense Payments

- Payments totalling USD 114,937,078 were not allocated to their appropriate budget lines and instead were recorded as 'suspense' payments.
- A significant number and value of transactions were posted to 'suspense' due to the lack of coordination between the Ministry of Finance staff who were processing the payments and the team from the external accounting agent, KPMG, who were analyzing and recording transactions.
- Out of the above Suspense amount USD 11,187,250 related to transactions that had descriptions in the ledger with vouchers. But these payments were not supported by complete documentation like invoices. Audit was not availed of the details despite a formal letter dated 27 April 2010 (Appendix 3).

Implications

Since transactions valued at USD 114,937,078 have remained in suspense the financial statements of several ministries submitted to the Assembly are wrong and the Financial Statement of GoSS for the year is hugely incorrect.

Recommendations

MoFEP should build capacity to present reliable financial statements to the Assembly

The Ministry should be able to take responsibility for recording and closing of books without substantial suspense entries year after year and prepare monthly and annual financial statements, for presentation to the Assembly and Audit, without huge delays.

Payments should only be approved when the vouchers comprehensively reflect details of expenditure and the heads of account to be charged.

The capacity of the Accounting Agent needs up gradation

Appendix: 1. Number of payrolls presented:

S/N	Department/Unit	Payroll Presented		Payroll Not Presented	
		Details	Total	Details	Total
1	Minister's Office	Aug-Dec	5	Jan-July	7
2	Administration & Finance	Aug-Dec	5	Jan-July	7
3	Taxation	Jan-Dec	12	Nil	0
4	Internal Audit	Nil	0	Jan-Dec	12
5	Accounts	Jan-Dec	12	Nil	0
6	Budget	Jan-Dec	12	Nil	0
7	GATC	Jan.-Dec.	12	Nil	0
8	Procurement	Jan-Dec	12	Nil	0
9	Petroleum	Nil	0	Jan-Dec	12
10	Planning	Feb-Dec	11	Jan.	1
	Total		<u>81</u>		<u>39</u>
			<u>67%</u>		<u>33%</u>
	Out of		120		120

Appendix: 2. Employees not in the nominal roll:

S/N	NAME	GRADE	DEPARTMENT
1	Available	8	Admin & Fin
2	Available	10	Admin & Fin
3	Available	10	Admin & Fin
4	Available	10	Admin & Fin
5	Available	10	Admin & Fin
6	Available	10	Admin & Fin
7	Available	11	Admin & Fin
8	Available	12	Admin & Fin
9	Available	12	Admin & Fin
10	Available	12	Admin & Fin
11	Available	12	Admin & Fin
12	Available	12	Admin & Fin
13	Available	12	Admin & Fin
14	Available	12	Admin & Fin
15	Available	12	Admin & Fin
16	Available	12	Admin & Fin
17	Available	12	Admin & Fin
18	Available	13	Admin & Fin
19	Available	13	Admin & Fin
20	Available	13	Admin & Fin
21	Available	13	Admin & Fin
22	Available	13	Admin & Fin
23	Available	13	Admin & Fin
24	Available	14	Admin & Fin
25	Available	16	Admin & Fin
26	Available	16	Admin & Fin
27	Available	16	Admin & Fin
28	Available	16	Admin & Fin
29	Available	17	Admin & Fin
30	Available	17	Admin & Fin
31	Available	9	Budget & Revenue

32	Available	13	Budget & Revenue
33	Available	16	Budget & Revenue
34	Available	5	Taxation
35	Available	7	Taxation
36	Available	9	Taxation
37	Available	10	Taxation
38	Available	10	Taxation
39	Available	12	Taxation
40	Available	12	Taxation
41	Available	12	Taxation
42	Available	12	Taxation
43	Available	13	Taxation
44	Available	14	Taxation
45	Available	14	Taxation
46	Available	14	Taxation
47	Available	14	Taxation
48	Available	15	Taxation
49	Available	15	Taxation
50	Available	15	Taxation
51	Available	16	Taxation
52	Available	16	Taxation
53	Available	17	Taxation
54	Available	12	G.A.T.C
55	Available	13	G.A.T.C
56	Available	15	G.A.T.C
57	Available	15	G.A.T.C
58	Available	13	Procurement
59	Available	13	Procurement
60	Available	15	Procurement
61	Available	4	Planning
62	Available	4	Planning
63	Available	4	Planning
64	Available	8	Planning

65	Available	9	Planning
66	Available	9	Planning
67	Available	10	Planning
68	Available	16	Planning
69	Available	16	Planning
70	Available	3	Accounts
71	Available	3	Accounts
72	Available	4	Accounts
73	Available	5	Accounts
74	Available	7	Accounts
75	Available	8	Accounts
76	Available	9	Accounts
77	Available	10	Accounts
78	Available	16	Accounts

Appendix 3. Suspense payments made without supporting documents

S/N	Date	Cheq. /PV No.	Beneficiary/Payee	Amount USD
1	12/02/07	735	Betty Dawa	6,852
2	05/03/07	798	Rieldit Co. Ltd	519,869
3	05/03/07	797	Alok Co. Ltd	2,063,534
4	06/03/07	TL 11	Ministry of Transport and Roads	106,758
5	06/03/07	TL 11	Ministry of Gender	19,752
6	06/03/07	TL 11	Employee Justice Chamber Commission	14,257
7	13/03/07	847	Ministry of Finance	299
8	13/03/07	TL 15	Not identified	2,232
9	19/04/07	696	Ministry of Cabinet Affairs	31,227
10	19/04/07	697	Bahr el Ghazal University	109,715
11	19/04/07	701	DSA for the - Secretariat General	12,891
12	19/08/07	TL 61	Ministry of Presidential Affairs	149,581
13	24/10/07	1766	Not identified	36,830
14	29/11/07	TL134-135	Not identified	34,642
15	30/11/07	TT	Erroneous debit by/ Bank of South Sudan	150,398
16	13/12/07	TL 43	SPLM refund – pre-interim period	4,926,108
17	20/12/07	TL 17	Abyei Local Board A/c No 6912/4038/01	1,113,250
18	28/12/07	TT	Transfer to a/c No. 6920/7020/02	1,007,002

19	18/12/07	2041	Excess payment to SSLA	84,254
20	17/12/07	1951	Peace Commission- rent dues	47,290
21	20/03/07	3821	Transfer from A/c 22.	80,509
22	16/07/07	4482	Transfer form BOSS a/c 6921/1000/7	670,000
23	29/10/07	13811	Transfer to 6912-4006-12	174,324
24	29/10/07	13812	Transfer to Ivory Bank	2,000,000
25		30308	Juba petty cash 6919/1000/3	57,084
Total				11,187,250

CHAPTER – SIX

MINISTRY OF HEALTH

CHAPTER – 6

1. Introduction

The most important amongst the socially significant ministries is the Ministry of Health. It has a substantial budget and urgency for achievement. Failures on the financial front or on the physical targets front are possible. But any such socially material failure would be more damaging to the society than any other failure. Hence SSAC chose to audit the ministry. The budget of for 2007 was USD 83.5 million which was 5.5 % of the total GoSS budget.

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, supporting documentation and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures.
- vi) To verify compliance with generally accepted accounting principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure.

- Ascertainment of the existence and application of the internal and budgetary controls.
- Stewardship of Public Assets.
- Disclosures in accordance with Generally Accepted Accounting Principles (GAAP).

4. Conclusion.

The unspent budget was a whopping USD 49,945,670 (60.5% of the budget) indicating poor capacity for budget making, and for executing projects. It would be 62% if the yearend cash balance of SDG 3,259,517 is taken into account. Internal systems for maintaining loan accounts, preparing bank reconciliations, maintaining nominal roll or accounting unpaid salaries were lacking.

- Pay roll for October 2007 was not availed.
- Vouchers not presented amounted to SDG 2,372,154.
- Payments unsupported by vouchers amounted to SDG2, 585,620.
- Vouchers without proof of payment amounted to SDG 1,828,141.

My findings indicate that massive misappropriation and not health service delivery was the definitive preoccupation at the Ministry of health.

5. Findings

5.1. Budgetary Performance

i) Huge unspent budget

Audit observed that Budget Execution was poor. Money allocated to the health sector was not expended and this is reflective of poor budget making capacity and poor planning and execution of socially material health projects. A good health index for the country has been postponed by at least a couple of years

Budget USD	Expenditure USD	Unspent USD	Unspent %
82,500,000	32,554,300	49,945,670	60.5

Implications

Underutilisation of child/maternal care funds by 60.5% in a country with serious health challenges like malaria, child and maternal care, and HIV means necessary health services are denied to the population and several hundreds of hapless citizens will have to cope with illnesses and disabilities for extended periods of time.

Recommendations

Capacity in the ministry for budget making, project formulation and execution and recruitment and procurement have to be scaled up.

ii) Ministry Accounts

Accounts of the ministry are not prepared or reconciled with the budget lines and no subsidiary and general ledgers and suspense books were made available. So it was difficult to comment on the utilization of the budget allocation. In the absence of suspense books monies payable or due to government could not be known.

Implication

To this extent the financial statement of GoSS for FY 2007 remained vitiated. Procedures for recovery of loans and advances were not followed. Extra-budgetary spending was done without parliamentary approval.

Recommendation

The Ministry should make all out effort to monitor all gaps and ensure application of prescribed accounting practice to obtain reliable, relevant, accurate and timely financial report to make informed decision.

5.2. Payroll expenditure

The payroll cost of the ministry was USD 18,543,041. Audit observations are:-

Pay sheets for the month of October 2007 were not presented for audit.

The nominal roll was not updated.

Accounts Form no (23) known as deposit book for recording unpaid salaries was not maintained.

Accounts Form no (24) suspense book for recording loans and advances was not maintained.

Implications

In the absence of pay sheets, there was detection risk of unauthorized payments, calculation errors, non accounting of unpaid salaries, non recovery of loans and advances. If the nominal roll is not updated it will be difficult to compare it with the pay sheets and detect errors in manpower strength, ranks and grades of pay.

In absence of deposit book unpaid salaries cannot be tracked and accounted for and misappropriations are possible.

In absence of suspense book the ministry cannot track loans and advances granted and recovered from the employees and public funds may be lost.

Recommendation

Procedures and books of accounting prescribed in the FAPO should be followed so that there is minimal failure to maintain Payrolls, Nominal Rolls, Suspense Accounts and Deposit Books. Internal Audit should ensure this.

Nominal rolls should be updated from time to time and Ministry of Labor and Public Service and Mo FEP should insist on this.

Deposit book should be kept to record and track unpaid salaries.

Suspense book are maintained for recovering advance of pay and loans.

5.3. Bank Reconciliation

Prescribed monthly bank reconciliations were not carried to ensure that amounts debited or credited by the bank were acceptable and correct. The failure violated the rules in FAPO.

Implication

There was risk of bank making mistakes and carting away public money. Also the year end bank balances included in the financial statements could be wrong due to unrealized cheques.

Recommendation

Procedures described in the Financial Accounting Procedures Ordinance should be followed to strengthen the internal control over bank transactions. Internal Audit should report upon any infringements.

5.4. Operational Expenditure**i) Defacing paid vouchers**

Rule 112 of FAPO requires stamping of payment orders and all other supporting vouchers once payment is effected to avoid double payments. This is not followed and vouchers valued at SDG 1,828,141 were seen to be not defaced in test audit (Appendix 1.)

Implication

The existing practice enables payment of the claim more than once and facilitates misappropriation of public resources.

Recommendation

As per financial and accounting procedures the paid vouchers should be suitably defaced to prevent double payments and loss of public funds.

ii) Payment to unauthorized payees

SDG 750,694 has been paid to payees other than those mentioned on the payment order (Appendix 2) without evidence of legal authorization. This is contrary to rule 111(2) of FAPO which states a payment order is not transferable and its value not payable to anybody other than the payee. In the case of business entities a holder of legal authority can receive.

Implication

Contravening the rule can lead to legal wrangles, loss of public money and facilitate employees misappropriating funds.

Recommendation

Senior Management must ensure compliance with applicable laws and financial regulations. Internal Audit should highlight infringements soonest.

iii) Payments without Supporting Documents

Sample testing revealed payment of SDG 2,585,620. without supporting documents. (Appendix 2).

Implication

In the absence of appropriate and sufficient documentation for the payment of transactions, there is risk that the financial practices at the ministry are not adequate to protect the public resources. Such payments without supporting documents facilitate both fraud and corruption. Audit cannot certify that medicine, equipment etc were received for which this money was spent.

Recommendation

Payments should be approved through the established lines of authority within the ministry and sufficient and appropriate documents are in place both for payment and for subsequent audits. Since the money involved is large a special investigation is called for.

iv) Air Ticket Payments

Payments worth SDG 161,231 were not supported with air tickets or cash receipts from air lines for the travels undertaken (Appendix No 4).

Implication

In the absence of cash receipts or airline tickets expenditure cannot be certified and there is possibility that funds were misused.

Recommendation

Accounts department should directly pay the airline companies for tickets issued for authorized travels. Otherwise, proof of travel should be established by the payees or money should be recovered. Ministry should honor only those travel bills fully supported with tickets. Internal Audit in the ministry should be vigilant to prevent recurrence.

v) Vouchers not presented to Audit

Vouchers for SDG 2, 372,154 were not presented to audit (Appendix 6). Rule 326 of the FAPO describes the possible ways of safe custody of vouchers and supporting documents which enable easy accessibility for purpose of auditing. This was not followed.

Implication

There was limitation of scope on audit to the extent that vouchers were not presented to Audit. Unavailability of supporting documents means there is likelihood of unauthorized payment, errors, fraudulent action or misuse of funds and use of funds for activities other than those allocated on the budget lines.

Recommendation

Since the public funds involved are huge the Minister for Health needs to devote personal attention to financial matters. In future safe custody and accessibility of supporting documents/vouchers should be ensured till audit is completed.

v) Absence of Proof of Payment

The unpaid balances traced in sample testing were SDG 214,110 (Appendix No 5). No final conclusion as to the payment to the beneficiary of the Pay order, retention of the money by the officials or remittance to the treasury was possible.

Implication

In the absence of proof of payment to the beneficiary and deposit book for refunding the amount to the Treasury, fraud cannot be ruled out.

Recommendation

Unpaid amounts should be deposited back to the treasury within a time line.

5.5. Year end Cash balance

Cash balance in the treasury book (FF NO 19) at the end of the financial year was SDG 3,259,517 which should have been credited back to GoSS Consolidated Fund Account at the Bank of Southern Sudan.

Implication

Holding large amount of cash at cashier's room is against FAPO rules. Such large cash holding also meant other ministries were artificially cash starved.

Recommendation

Control of the cash float is an immediate action and ministry must make necessary moves into banking mode for payments.

Appendix No 1: -

Vouchers not defaced

s/n	Name of payees	Payment Orders	Date of payment	Amount Paid (SDG)
1	Available	257925	8/1/07	55,669
2	Available	257940	27/2/07	80,196
3	Available	256941	26/2/07	19,804
4	Available	791643	28/6/07	49,692
5	Available	791644	28/6/07	45,523
6	Available	791653	14/7/07	111,600
7	Available	791647	3/7/07	79,987
8	Available	791674	10/9/07	100,336
9	Available	791675	11/9/07	86,000
10	Available	791685	26/9/07	21,556
11	Available	791676	11/9/07	64,866
12	Available	791712	25/10/07	129,463
13	Available	791751	28/11/07	629,230
14	Available	791740	14/11/07	50,724
15	Available	791734	9/11/07	16,494
16	Available	791760	3/12/07	45,476
17	Available	791769	14/12/07	74,494
18	Available	791775	20/12/07	167,031
	Total			1,828,141

Appendix No 2: -

Cash paid to Unauthorised Beneficiaries

S/n	Name of payees	Payment Order	Date of payment	Amount Paid (SDG)
1	Available	791632	12/6/07	61,230
2	Available	791653	14/7/07	111,600
3	Available	791656	18/7/07	50,000
4	Available	791674	10/9/07	14,500
5	Available	791604	19/3/07	104,446
6	Available	791775	20/12/07	7,600
7	Available	791772	18/12/07	253,120
8	Available	791772	18/12/07	45,360
9	Available	791772	18/12/07	13,000
10	Available	791645	29/6/07	1,188
11	Available	791677	11/9/07	62,700
12	Available	791752	29/11/07	23,350
13	Available	791755	29/11/07	2,600
	Total			750,694

Appendix No 3: -

Unsupported operating cash payments

s/no	Name of Payees	payment order	Date of payment	Paid amount (SDG)
1	Emmanuel Towongo	257925	8/1/07	4,500
2	Okany Santino	257931	14/2/07	2060
3	Emmanuel Towongo	791643	28/6/07	5,646
4	Emmanuel Towongo	791734	9/11/07	5,000
5	Emmanuel Towongo	791751	28/11/07	560,372
6	Emmanuel Towongo	791647	3/7/07	12,000
7	Dr. Elizabeth Ojoba	791657	20/7/07	20,000
8	Emmanuel Towongo	791760	3/12/07	5,750
9	Emmanuel Towongo	791772	18/12/07	253,120
10	Emmanuel Towongo	791772	18/12/07	45,360
11	Emmanuel Towongo	791772	18/12/07	13,000
12	Emmanuel Towongo	791772	18/12/07	10,000
13	Peter Panther	Ck308	6/11/07	178,398
14	Michael Lony	791740	27/2/07	2,380
15	Joy Paul Michael	791604	19/3/07	104,446
16	Dr. Olivia Lomoro	791675	11/9/07	86,000
17	William Lual	791653	14/7/07	111,600
18	Abdalla said	257930	13/2/07	45,000
19	Emmanuel Towongo	791608	29/3/07	5,000
20	Abdalla Said	257938	26/2/07	2,520
21	Emmanuel Towongo	791603	17/3/07	71,780

22	Emmanuel Towongo	791640	20/6/07	13,104
23	Joy paul Michael	791642	28/6/07	78,115
24	Emmanuel Towongo	791639	20/6/07	28,500
25	Emmanuel Towongo	791634	13/6/07	69,115
26	Abraham Enonsa	791646	6/7/07	50,000
27	Dr. Olivia Lomoro	791678	13/9/07	36,000
28	Emmanuel Towongo	791696	10/10/07	10,000
29	Emmanuel Towongo	791709	24/10/07	24,000
30	Mr. Michael Lony	791737	12/11/07	30,000
31	Emmanuel Towongo	791735	9/11/07	8,000
32	Abdalla Said	257930	26/2/07	15,050
33	Abdalla Said	257938	26/2/07	2,378
34	Emmanuel Towongo	791608	29/3/07	5,316
35	Emmanuel Towongo	791684	21/9/07	1,772
36	Emmanuel Towongo	791709	24/10/07	2,000
37	Mawein Atak Tong	791724	2/11/07	56,650
38	Emmanuel Towongo	791745	19/11/07	12,600
39	Emmanuel Towongo	791755	29/11/07	11,440
40	Emmanuel Towongo	791763	23/11/07	5,880
41	Joy Paul Michael	791655	16/7/07	7,015
42	Emmanuel Towongo	791634	12/6/07	69,115
43	Joy Paul Michael	Ck 103	23/4/07	104,460
44	Joy Paul Michael	Ck 304	26/10/07	34,408
45	Dr. Anthony Laku	Ck 310	8/11/07	65,516
46	Abdalla Laku	257938	24/2/07	11,628

47	Abdalla Laku	257929	13/2/07	9,000
48	Abdalla Said	257934	23/2/07	14,560
49	William Lawal	791641	28/6/07	116,000
50	Jhon Rumunu	791673	23/8/07	38,069
51	Michael Lony	791704	22/10/07	30,000
52	Emmanuel Towongo	Ck 291	8/10/07	20,000
53	Dr. Anthony Laku	Ck 294	9/10/07	62,000
	Total			2,585,620

Appendix No 4: - Unsupported cash payments

AIR TICKETS

	Name of payees	Payment order	Date of payment	Amount paid(SDG)
1	Available	257925	8/1/07	1,200
2	Available	257931	14/2/07	7,240
3	Available	257940	26/2/07	15,828
4	Available	257927	25/1/07	6,295
5	Available	791660	28/7/07	2,700
6	Available	791685	26/9/07	2,250
7	Available	791712	25/10/07	1,700
8	Available	791612	12/4/07	6,630
9	Available	791772	18/12/07	8,238
10	Available	791777	21/12/07	4,115
11	Available	Ck316	16/11/07	29,930
12	Available	791778	21/12/07	3,900
13	Available	257930	13/2/07	4,480
14	Available	257938	26/2/07	12,422
15	Available	791608	28/3/07	4,071
16	Available	791690	5/3/07	3,950
17	Available	791757	30/11/07	6,460
18	Available	791606	27/3/07	2,855.

Appendix No 5 : - Unaccounted unpaid balances

s/n	Names payees	Payment Order	Date Of payment	Amount (SDG)
1	Available	257931	14/2/07	12,900
2	Available	791676	11/9/07	1,500
3	Available	791634	13/6/07	104,215
4	Available	791655	16/7/07	74,895
5	Available	791690	5/10/07	900
6	Available	791696	10/10/07	2000
7	Available	791709	24/10/07	15,100
8	Available	791755	29/11/07	2,600
	Total			214,110

APPENDIX 6: - Missing payment orders

s/n	Name of Payees	Pay Order	Date	Amount SDG
1	Abdalla Said	257928	7/2/07	143,933
2	Emmanuel Towongo	791607	7/2/07	131,294
3	Emmanuel Towango	791611	12/4/07	141,607
4	Emmanuel Towango	791613	20/4/07	27,834
5	Emmanuel Towango	791614	24/4/07	11,380
6	Emmanuel Towango	791615	25/4/07	37,673
7	Emmanuel Towango	791616	26/4/07	151,000
8	Emmanuel Towango	791617	27/4/07	30,442
9	Emmanuel Towango	791618	30/4/07	62,456
10	Emmanuel Towango	791619	4/5/07	38,063
11	Emmanuel Towango	791620	9/5/07	56,944
12	Taban Brawn	791621	9/5/07	197,172
13	Taban Brawn	791633	12/6/07	190,436
14	Taban Brawn	791650	11/7/07	179,626
15	Taban Brawn	791662	1/8/07	179,626
16	Taban Brawn	791682	19/9/07	149,181
17	Peter Lasu	791683	19/9/07	22,330
18	Taban Brawn	791692	9/10/07	142,430
19	Peter Lasu	791693	9/10/07	23,982
20	Emmanuel Tuwango	791694	9/10/07	4,969
21	Emmanuel Tuwango	791695	10/10/07	18,858
22	Emmanuel Tuwango	791697	9/10/07	6,500
23	Sium Mihiretab	791714	25/10/07	6,636
24	Emmanuel Tuwango	791721	1/11/07	13,000
25	Kennedy Jasen	791730	8/11/07	44,500
26	Emmanuel Tuwango	791749	23/11/07	172,892
27	Michael Lony	791756	29/11/07	6,340
28	Taban Brawn	791770	17/12/07	131,045
29	Peter Lasu	791771	17/12/07	24,206
30	Peter Lasu	791779	21/12/07	25,799
	Total			2,372,154

CHAPTER – SEVEN

MINISTRY OF INTERNAL AFFAIRS

CHAPTER – 7

1. Introduction

The Ministry of Internal Affairs is composed of two organized law enforcement agencies, police and prisons. It also includes security organs like Criminal Investigation and Fire Brigade. In the context of Southern Sudan where peace and security were crucial at the time, the Ministry was sensitive in terms of its operations and finances. 'Security' played a role in the denial of auditors' access to financial records. However, from the point of view of the constitution, the severe limitation to the scope of audit constituted a violation. The budget of the ministry for 2007 was USD108, 393,569 which constituted 7.4% of the total budget of GoSS for the year.

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, supporting documentation and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures.
- vi) To verify compliance with generally accepted accounting principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure and.
- Ascertainment of the existence and application of the internal and budgetary controls
- Stewardship of Public Assets.
- Disclosures in accordance with Generally Accepted Accounting Principles .

4. Conclusion

Despite several attempts at different levels to obtain the accounting records, no records could be obtained for the entire expenditure of the ministry for the year. The Ministry of Internal Affairs budget is a significant portion of the total expenditure of the government. The severe limitation to audit scope justifies, at best, a qualification on the financial statements of the Government of Southern Sudan for the year ended 31st December 2007.

5. Findings

5.1 Limitation of Scope and Disclaimer

No accounting records for the Ministry of Internal Affairs were made available which included:

- Pay rolls, Nominal Rolls, Deposit Books etc.
- Check book counterfoils,
- Records of electronic fund transfers,
- Invoices, receipts, goods received notes,
- Contracts, Letters of Credit, Advances and Deposits,
- General and subsidiary ledgers,
- Journal entries and other adjustments,
- Bank reconciliation statements,
- Asset Register and,
- Internal Audit Reports,

The failure of Ministry of Internal Affairs to provide any of these records made it impossible to conduct audit for the entire expenditure of the Ministry which amounted to US\$ 108,393,569.

This is because audit procedures seek to obtain audit evidence through the inspection, sample testing, confirmation, recalculation, re performance, and analytical procedures often in some combination, in addition to inquiry in relation to the underlying accounting records. Audit evidence has to be sufficient and appropriate in terms of its quantity (the availability of all required accounting records) and quality for the auditor to be able to carry out an effective risk assessment and by extension a quality audit.

The lack of accounting records for audit leads audit to conclude that:

- The confirmation of the coding or allocation of expenditure incurred by the Ministry of Internal Affairs cannot be carried out as the supporting accounting records to be used to check this are not available. Consequently it implies US\$ 108,393,569 out of GOSS expenditure of US\$ 1,524,553,907 is doubtful as to its coding and totality. It further implies that GOSS accounts for 2007 could be materially misstated as a result of the

uncertainty as to the correctness of coding of the Ministry of Internal Affairs expenditure.

- The possible effect of our inability to obtain sufficient and appropriate audit evidence is that there is a high risk of undetected misstatements and possibly fraud which are both material and pervasive.

5.2. Fraud Risk

General monitoring controls such as the oversight that management is expected to exercise over the accounting function were not formalized, nor evidenced at all, exposing the Ministry of Internal Affairs to a high risk of fraudulent transactions being undertaken and public funds being misappropriated. These risks apply to the total value of funds expended by the Ministry of Internal Affairs in 2007.

5.3. Legal Aspects

The unavailability of supporting documents for the entire financial year calls into question the integrity and competence of management. This amounts to fundamental non-compliance with the laws of the country. The senior management in the ministry was culpable in its inability to oversee the functions of the Directorate of Finance and enforce financial rules, regulations and laws of the land.

The missing documents are a breach of Rule 261(3) of the Financial Accounting and Procedures Ordinance which stipulates that “forms, books and vouchers shall not be burnt up or destroyed unless and until they are audited by the Auditor General’s Chamber”.

5.4. Attempts made to obtain accounting information

Audit made several attempts to obtain the missing accounting records from the Ministry through various meetings with officials responsible in Directorate of Finance but these were not fruitful. The attempts made to obtain the missing records include:

- Letter written by the SSAC Director of Audit on 11 May 2010 and addressed to the Director General for Finance and Administration in the Ministry without a response.
- Letter from the Deputy Auditor General, SSAC to the Undersecretary on 12 July 2010 without a response.
- The Auditor General also wrote a letter to the Minister of Internal Affairs on 20 July 2010 requesting for financial documents but no response was received.

CHAPTER – EIGHT

MINISTRY OF LEGAL AFFAIRS
and
CONSTITUTIONAL DEVELOPMENT

CHAPTER - 8

1. Introduction

The Ministry of Legal Affairs and Constitutional Development played a pivotal role in incurring the capital expenditure of GoSS being the nodal ministry for approving the contracts for the capital expenditure. These approved contracts were honoured by the Ministry of Finance and Economic Development. The budget of the Ministry was SDG14.7 million which accounted for 0.5% of the budget of GoSS for the year.

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, supporting documentation and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures.
- vi) To verify compliance with generally accepted accounting principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- ❖ Payroll costs.
- ❖ Capital expenditure.
- ❖ Operational and other expenditure.
- ❖ Ascertainment of the existence and application of the internal and budgetary controls

- ❖ Stewardship of Public Assets.
- ❖ Disclosures in accordance with Generally Accepted Accounting Principles.

4. Conclusion

The ministry did not ensure budget integrity. SDG 220,575 was overspent under payroll costs. Revenue of SDG 86,531 collected as various fees was not remitted to the Ministry of Finance and Economic Planning. Operating expenditure of SDG 120,505 was not accounted for. The fate of SDG. 56,160 in unclaimed salaries is unknown.

5. Findings

5.1 Salaries and Allowances

i) Payroll Maintenance

A review of salaries and allowances in the Ministry revealed the following:

- The pay roll cost for the year was SDG 6,892,539 but the transfers from the MOFEP were SDG 6,671,964. There was a shortfall of SDG 220,575 and the sources from which the Ministry financed the additional payments were not clarified.
- The Pay sheets should be numbered and used sequentially. However, the ministry used other inappropriate forms which are against FAPO section-275(1) that requires the use of Form (13) to record and monitor the salaries of classified employee and such pay sheets be filled in with the available details in Nominal Roll.
- The Pay sheets were not verified by the establishment officer and not stamped to evidence that payments were made to bona-fide employees.
- Nominal Rolls were not maintained as required to ensure that all Ministry employees are easily identified on the rolls to avoid instances of ghost employees.

Implication

The cumulative effect of the use of self designed pay sheets and absence of nominal rolls meant the total cost of salaries and allowances was not accurately captured for accounting purposes and that funds meant for operating expenditure and other savings were diverted to pay salaries and allowances. Also there could be risks of irregular appointments, retired public servants continuing in service and payment of incorrect grades of pay.

Recommendation

The Ministry should ensure that the amount of salaries paid out is as per the payroll-sheet and are calculated based on the attendance records and that the Accountant uses the appropriate and pre-numbered financial forms. Funds should be expended as per the budget lines and no diversions should be made without the requisite supplementary appropriation approval.

Unpaid Salaries unaccounted for

We noted that the unpaid salaries amounted to SDG 56,160 (Appendix 2).

The Auditors observed a lack coordination of work between the administration management and the establishment officer. Hence the inability of the accounting section to clear the unpaid salaries at the end of the accounting period.

Implication

The inability to control the occurrence of unpaid salaries may lead to payments being made to ghost workers and /or loss of public funds.

Recommendation

Unpaid salaries be remitted promptly and be registered automatically in financial form 19 (The Treasury book) as per procedure.

5.2 Operating Expenditure

i) Payments without supporting documents

- (a) Disbursements of SDG 120,505 were without supporting documents (Appendix 3). This indicated non-compliance with the requirements of the Financial and Accounting Procedures Ordinance (FAPO) Chapter 386 Section (1) which states “No Expenditure shall be charged against the budget except those approved, provided that payment shall be by cheque or Payment Order supported with bona fide vouchers”.
- (b) In yet another instance, other operating expenses amounting to SDG 7,950 (Appendix4) were posted as suspense payments to staff which is against the requirements of the Financial procedures (FAPO) Chapter273 which says.” Advances against salaries are charged against suspense account (miscellaneous loans) in the name of the borrowers; deductions in respect of the advances are also credited to this account.”

Implication

This weakness in internal controls and failure to apply the recommended Financial and Accounting Procedures Ordinance (FAPO) increases the risk that public funds may be misappropriated and that goods and services paid for may not have been received.

Due to the failure to follow the laid down accounting procedures, there is also a risk that claims could have been paid more than once and that payments may have been made in excess of what was provided for in the budget.

Recommendation

The Ministry of Legal Affairs should apply the Financial and Accounting Procedures Ordinance (FAPO) to avoid payments being made without supporting documents and to ensure that all payments are as per the approved budget.

5.3 Cash and Bank Balances

i) Cash balance

The Cash and Bank monthly reconciliations were not maintained. Consequently, we were unable to verify Cash and Bank balances at the end of the financial year.

Implication

In the absence of the monthly Cash and Bank reconciliations it is not possible to determine whether or not Cash and Bank transactions of the entity were correctly captured.

Recommendation

Monthly Cash and Bank reconciliations should be carried out. These reconciliations should be reviewed by a senior official independent of the preparer of those reconciliations.

5.4 Capital Expenditure

The assets procured during the year for SDG 246,669(Motorcycles SDG 127,235, Bicycles SDG 28000, Generator 3,140, Office table SDG7,500,Office & House Equipment SDG. 69,194 and Sound System SDG11,600) were not entered in the Asset Register.

Implication

Because of the lack of the Assets register, it is not possible to determine whether or not the said assets were ever procured and if so, whether the same was done according to the guidelines set out in the Interim Public Procurement and Disposal Regulations 2006.

Recommendation

An assets register should be maintained to record /capture the details of all the assets procured and maintained/owned by the Ministry.

5.5 Revenue unaccounted

i) Retention of Revenue

Revenue received as Advocacy fee, Contract fee and Change of Name fee was SDG.86, 351 (Appendix 5).

The collections were made through Financial Form 15 (Cash receipt)-according to FAPO 236 (1). The collections were posted to Collector Book 67(Collectors Account) as per (FAPO) Chapter 239 Section (2) which states. "The Collectors book shall contain all receipts issued, their serial numbers, names of payers and total sum collected per receipt distributed among the various revenue items.....". Further, section (3) of the same Chapter requires the issuance of a Credit Advice for all the amounts collected and credited or remitted to the Treasury.

Contrary to this, no credit advice was issued against these amounts.

Implication

Due to the Non- issuance of the credit advice, there is a likelihood that the funds collected may have been diverted to other uses and may never have been surrendered to the Government as revenues collected.

Recommendation

Ministry's Accountant should check the collector's book on a daily basis against the book copies of the receipts and verify the total collection prior to filling the credit advice.

Appendix 1:- Transfers & Actual Salaries Paid

MONTH	TRANSFER (SDG)	SALARY PAID (SDG)	VARIANCE (SDG)
JANUARY	241,290	253,390	(12,100)
FEBRUARY	206,090	206,652	(562)
MARCH	376,728	534,360	(157,632)
APRIL	633,002	634,807	(1,805)
MAY	635,444	637,223	(1,779)
JUNE	635,844	637,372	(1,528)
JULY	635,716	640,386	(4,670)
AUGUST	701,698	711,101	(9,403)
SEPTEMBER	697,466	706,282	(8,816)
OCTOBER	707,678	649,044	58,634
NOVEMBER	600,548	640,961	(40,413)
DECEMBER	600,460	640,961	(40,501)
Total	6,671,964	6,892,539	(220,575)

Appendix 2:- Unclaimed Salaries

S/N	NAME	JOB TITLE		SDG
1	Available	S.L.C		1,500
2	Available	2rd LC		1200
3	Available	2nd LC		1200
4	Available	3rd LC		1100
5	Available	„		1100
6	Available	LC		800
7	Available	„		800
8	Available	D/AD/Fin		2820
9	Available	IT		1000
10	Available	„		950
11	Available	CLK		284
12	Available	DRIVER		264
13	Available	„		264
14	Available	„		264
15	Available	„		264
16	Available	„		264
17	Available	„		264
18	Available	„		264
19	Available	„		264
20	Available	„		264
21	Available	„		264
22	Available	CLEANER		210
23	Available	H/MESS		530
24	Available	MESS		200
25	Available	GENERATOR		200
	TOTAL			16,534

S/N	NAME	JOB TITLE	SDG
26	Available	Senior Legal Counsel	4477
27	Available	Second Legal Counsel	3040
28	Available	Second Legal Counsel	3040
29	Available	Second Legal Counsel	3040
30	Available	Third Legal Counsel	2455
31	Available	Legal Counsel	1105
32	Available	Legal Counsel	1105
33	Available	Legal Counsel	1105
34	Available	Legal Counsel	1105
35	Available	Legal Counsel	1105
36	Available	Legal Counsel	1105
37	Available	Legal Counsel	1105
38	Available	Legal Counsel	1105
39	Available	Legal Counsel	1105
40	Available	Legal Counsel	1105
41	Available	Legal Counsel	1105
42	Available	Legal Counsel	1105
43	Available	Legal Counsel	1105
44	Available	D/Ad/Fin	3365
45	Available	Controller of Accounts	1815
46	Available	IT Professional	1117
47	Available	IT Professional	1117
48	Available	IT Professional	1117
49	Available	Clerk	339
50	Available	Clerk	339
	TOTAL		56,160

Appendix 3:- Payments without Supporting Documents

DATE	PAYEE	DETAILS	AMOUNT SDG	REMARK
4/1/07	Available	Stationeries	1,728	
4/1/07	Available	Spectacles	1,082	
4/1/07	Available	Insurance	1,077	
8/1/07	Available	Uniforms	9,408	
15/1/07	Available	Heron Camp Site	3,252	
17/1/07	Available	Air tickets	2,432	
29/1/07	Available	Refund	775	
17/1/07	Available	Air-Tickets	1,250	
17/1/07	Available	Air- Tickets	1,250	
5/4/07	Available	Service/H.E - House	6,000	
5/4/07	Available	Service Hon. Secretary	5,000	
5/4/07	Available	Canvas tents	25,800	
6/4/07	Available	Air Condition	5,000	
12/4/07	Available	Air-Tickets	4,831	
18/4/07	Available	Construction Payments	19,200	
18/4/07	Available	Incentive	5,000	
18/4/07	Available	Inventive	3,000	
24/4/07	Available	Incentive	5,000	
24/4/07	Available	Incentive	5,000	
15/5/07	Available	Air-Tickets	2,210	
15/5/07	Available	Air-Tickets	2,210	
4/5/07	Available	Treatments	10,000	
	Total		120,505	

Appendix 4:- Suspense Account.

#	Name	Amount (SDG)
1	Available	700
2.	Available	700
3.	Available	400
4.	Available	400
5.	Available	100
6.	Available	350
7.	Available	40
8.	Available	100
9.	Available	400
10.	Available	10
11.	Available	200
12.	Available	150
13.	Available	200
14.	Available	450
15.	Available	150
16.	Available	200
17.	Available	100
18.	Available	50
19.	Available	800
20.	Available	1,100
21.	Available	1,000
22.	Available	100
23.	Available	100
24.	Available	150
	TOTAL	7,950

Appendix 5:- Schedule of revenue collection

MONTH	ADVOCACY FEE SDG	CONTRACT FEE SDG	CHANGE OF NAME FEE SDG	TOTAL SDG
August	600	1,500	20	2,120
September		11,500	40	11,540
October	1,200	14,500	160	15,860
November		34,500	110	34,610
December		22,201	20	22,221
Total	1,800	84,201	350	86,351

CHAPTER – NINE

**SOUTHERN SUDAN
LEGISLATIVE ASSEMBLY**

CHAPTER – 9

1. Introduction

The Southern Sudan Legislative Assembly (SSLA) was not covered in the audits of 2005 and 2006. The findings of this audit report can be extrapolated backwards to throw light on the probable state of affairs in the SSLA as far as financial management is concerned. The budget of SSLA was USD 36,726,965 which was 2.5% of the budget of the Government of Southern Sudan for the year.

2 Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, supporting documentation and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures.
- vi) To verify compliance with Generally Accepted Accounting Principles (GAAP).

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure and.
- Ascertainment of the existence and application of the internal and budgetary controls
- Stewardship of Public Assets.
- Disclosures in accordance with GAAP

4. Conclusion

The Southern Sudan Legislative Assembly (SSLA) is the supreme oversight authority on all government finances. Unfortunately, the SSLA performed no better than the Executive and legislative branches of government with respect to financial management and budgetary

control. Salient breaches for 2007 included:

- Payment of two months' extra salaries to legislators and staff at year end thus bursting the budget by 64%
- Payment of SDG 2,242,040 as hospitality and outfit allowances without budgetary provision
- Payment of Customs duty allowance of SDG 2,100,000 without budgetary provision.
- No proof is available for the payment of a total of SDG 1,325,659 travel expenditure.
- No proof is available for payments amounting to SDG 1,832,347 as operating expenditure.
- No evidence is given that advances of SDG 1,081,331 and loans of SDG 350,690 were ever recovered

5. Findings

5.1 Budget Analysis

Detailed Item	Actual	Budget	Difference	Difference (%)
	USD	USD	USD	
Payroll costs	14,386,041	8,774,198	5,611,843	64.0%
Operating Cost	6,476,551	6,352,767	123,784	1.9%
Capital costs	1,018,032	21,600,000	(20,581,968)	(0.95)

The payroll costs were in excess of the budget allocation by 64% .This was attributed to salary increments for January and February 2008 being paid in December 2007 before the members went on recess.

5.2 Pay Roll Cost

i) Emoluments to the members of the Southern Sudan Legislative Assembly

The first members of the legislative assembly were appointed through a decree of the President as stipulated in the CPA and the interim constitution. The emoluments and benefits to which members were entitled were to be determined by a law as stated in the interim constitution. Auditors requested for the Presidential Decree / Provisional Order, authorizing the remuneration of the members of the SSLA. These were not provided.

Implication

In the absence of the Council of Ministers Resolution or the Presidential Decree authorising the emoluments payable to the members of the Assembly, audit assumes that the Appropriation Act became the basis for emoluments.

ii) Employees' Personal Files

Personal files of SSLA employees were not updated with record of service and documents such as appointment letter, salary, increment and promotion letters, nationality, copies of birth, academic, medical fitness certificates, previous employment records, employee photograph, and leave records (Establishment Form no.6). Such updates were partial or files were missing.

Implication

There was a risk that retired SSLA employees may have continued in employment. The data would have been used for computing the final dues on resignation or retirement. There was the risk of under or over payments in the absence of data.

Recommendation

SSLA Human Resource Department should review and update the employee files.

5.3 Operating Costs

i) Advances not retired

Members and employees of SSLA did not account for the advances paid to them for their travels local and abroad and for medical treatments Audit could not confirm actual travels in the absence of air ticket counterfoils, hotel accommodation bills and medical bills. Such unsupported payment amounted to SDG 1,325,659 (details available).

Implication

The accuracy and validity of the operating expenditure amounting to SDG 1,325,659 cannot be certified in the absence of documents and possibility of misapplication of funds is real.

Recommendation

These unsupported payments should be reviewed and accounted for immediately. A system to ensure that all advances are retired within three months with supporting documents should be in place. Internal Audit should exert itself to avoid recurrence of such cases.

ii) Missing Payment Orders

Instances of missing payment orders and the respective supporting documents cast a doubt as to the accuracy and regularity of the amount SDG 1,832,347 (Appendix 1).

Implication

There is a risk that amounts paid may not be bona fide.

Recommendation

The missing Payment Orders should be investigated in six months and informed to Audit. Internal Audit should be strengthened.

iii) Hospitality and outfit allowances

SDG 2, 242 million was paid to senior employees and members of SSLA as hospitality outfit and leave allowances in August 2007 using Payment Order no.776603.

The SSLA resolution number 23/2006 provided for payment of hospitality/ outfit allowances.

The SSLA accounts department computed the above as three months **gross salary**

The basis for the rate of allowance paid was not made available.

The breakdown of the amounts paid is as shown below:-

Details	Hospitality allowance	Out allowance	Domestic travel	foreign travel	Sub Total	No of Persons	Total
	SDG	SDG	SDG	SDG	SDG		SDG
Speaker	60,000	60,000	6,180	58,668	184,848	1	184,848
Deputy Speaker	45,000	45,000	4,120	39,112	133,232	1	133,232
Chaipersons	36,000	36,000	4,120	39,112	115,232	15	1,728,480
SSLA Senior staff					-		-
Clerk of assembly	-	6,300	8,240	-	14,540	1	14,540
Deputy Clerk	-	6,300	8,240	-	14,540	1	14,540
others	-	-	6,400	-	6,400	26	166,400
							<u>2,242,040</u>

Implication

There is a risk that the members and senior employees of the SSLA may have been paid allowances they were not entitled to since the basis for computation was not established.

Recommendation

MoFEP should re-visit the computation and regularise the payment.

iv) Customs Fee Exemption

Members of the Assembly were paid SDG 2.1million as customs duty exemption. Each member received SDG15, 000 vide payment order 776643 dated 11 September, 2007.

Audit could not establish the basis for the amount paid to each of the member and no legal basis for the payments was availed to the audit.

Recommendation

MoFEP and SSLA may revisit the issue and regularise the irregular release of public funds.

5.4 Loans and Advances

i) Unbudgeted loans

Loans were disbursed to employees and members of SSLA to the tune of SDG 1,081,331 though there was no budget provision. The SSLA did not comply with FAPO 386(2) which stipulates that no payment should be incurred except when it is within the budget provisions.

One of the beneficiaries of the loans received SDG 500 which was still outstanding as at the end of the financial year and he was not an employee or a member of the Assembly.

Recommendation

SSLA should frame Loan Rules and get it passed in the Assembly. A budget line should be provided in future.

Loan disbursed to non SSLA employee be investigated and appropriate action taken.

ii) Loan Management

Monthly loan recoveries by the cashier should be supported by issue receipts and a loan register maintained. This is not in vogue. SDG 350,690 (details available) was outstanding at the end of the year.

Implication

In the absence of an updated suspense book there is the risk that public funds disbursed as loans may not be recovered. There is lack of audit trail for the loans disbursed/ recovered and the balances due. The correctness of the loan recoverable amount SDG 350,690 cannot be certified by audit.

Recommendation

Rules for loan management are already available in the FAPO and these should be strictly followed. Internal audit should exercise itself to ensure the prescribed system is honoured.

5.5 Internal Audit Department

Developing a special internal audit manual

Internal audit department does not independently review the effectiveness of the systems in practice in the various departments of SSLA on a monthly basis and present recommendations to the Clerk of the Assembly. This means that internal audit is remiss in not carrying out its mandated duties which include safeguarding the assets and the resources from abuse by the custodians. An internal audit manual specific to SSLA, which is different from the MDAs should be drafted to guide the internal auditors in their audits.

Implication

There is a risk that internal control deficiencies in the SSLA could pass undetected even when the controls are in place since there was no independent appraisal of the practices in the departments. Deficiencies in internal controls may facilitate misappropriation of public funds.

Recommendation

Internal Audit Department should commence system reviews of the policies and processes implemented by SSLA on a monthly basis to enable the Clerk of the Assembly to set in motion measures for mitigation. An internal audit manual specific to SSAL should be developed.

5.6 Fixed Assets

Asset Register

SSLA did not have a fixed asset register and no physical stock take of the assets was carried out. Stewardship of public assets was therefore absent.

Implication

With the lack of adequate internal controls assets are prone to be misused or misappropriated.

Recommendation

A fixed asset register should be maintained showing the date of the purchase, cost, description, asset tag number, location and custodian, serial number etc Policies and procedures regarding the custody of the fixed assets should be formulated.

5.7 Books of Accounts

i) Monthly returns

Monthly returns of expenditure were not sent to MOFEP to enable update of the Free Balance. The returns would enable MOFEP to calibrate allocation of funds and reconciliation of transfers.

Implication

Transfers pose a risk of possible misappropriation since they can be diverted by individuals in the absence of reconciliation between the MOFEP and SSLA of the funds transferred.

Recommendation

SSLA should send monthly returns to the MOFEP for reconciliation of transfers.

ii) Bank Reconciliations

Bank reconciliations were not carried out on a monthly basis as stipulated by FAPO Section 324 since the bank book was not maintained and bank statements were not requested for.

Implication

The failure to prepare monthly bank reconciliations may result in transactions being omitted which are in the bank statements and not in the bank book which would falsify financial statements. Further intentional errors and omissions in the cheque books, the bank statements and the bank book may pass undetected if the monthly bank reconciliations are not prepared and reviewed.

Recommendation

Monthly bank reconciliations should be carried out by the accountant. This will mitigate the risk of errors and omissions and any misappropriation would come to light.

Appendix 1:- Missing payment orders

	Date	Payment order			Amount
					SDGS
	09.03.2007	419194			80,374
	20.09.2007	776653			1,94,000
	28.09.2007	776662			1,24,000
	30.11.2007	776719			80,000
	15.2.2007	776502			1,24,913
	19.09.2007	776652			71,627
	31.12.2007	776767			3,32,453
	05.10.2010	776670			96,250
	30.11.2010	776721			1,51,230
	30.12.2007	776746			5,77,500
					18,32,347

CHAPTER – TEN

SUDAN PEOPLE’S LIBERATION ARMY

CHAPTER – 10

1. Introduction

The Sudan People's Liberation Army (SPLA) is a major spending unit in the Government of Southern Sudan. Its expenditure for 2007 was SDG1.38 billion which was 38.8 % of the GoSS expenditure of the year. Therefore it is highest ranking on the materiality scale for financial risks and is audited every year both for financial risks and financial transactions

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, supporting documentation and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures.
- vi) To verify compliance with generally accepted accounting principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure and.
- Ascertainment of the existence and application of the internal and budgetary controls
- Stewardship of Public Assets.
- Disclosures in accordance with GAAP.

4. Conclusion.

The Ministry declined to submit any of its financial records to auditors. The authorities at the Ministry did not give any reason but it is not difficult to construe their concerns for confidentiality. Unfortunately, the shield of security can also cover illegitimate transactions. In any event, the refusal to submit an entire institution to financial audit constitutes a constitutional challenge to the Legislative Assembly.

5. Findings

5.1 Limitation of scope.

These were the key documents that were not made available for audit examination.

- cheques,
- records of electronic funds transfers,
- invoices,
- contracts,
- the general and subsidiary ledgers,
- journal entries and other adjustments,
- nominal rolls,
- pay sheets and
- bank/ cash book reconciliations

Audit procedures seek to obtain audit evidence through inspection, observation, confirmation, recalculation, reperformance, and analytical procedures often in some combination, from the underlying accounting records. Audit evidence has to be sufficient and appropriate in terms of quantity (availability of all required accounting records) and quality for the auditor to carry out an effective risk assessment. The lack of accounting records lead auditors to conclude that:

- The confirmation of the coding or allocation of expenditure incurred by the SPLA cannot be carried out as the supporting accounting records were not available. Consequently SPLA expenditure is doubtful as to its coding and therefore GOSS financial statements for 2007 could be materially misstated
- The consequential effect of our inability to obtain sufficient and appropriate audit evidence will be the high risk of undetected misstatements and possibly fraud which are both material and pervasive to justify a disclaimer opinion for the GOSS 2007 audit report as the SPLA budget is a material component of GOSS financial statements.

5.2 Fraud Risk

In spite of previous exhortations from audit, general monitoring controls the management is expected to exercise over the accounting function were not formalized. The entire budget allocation to the Ministry was exposed to a wide range of risks of waste and misappropriation.

5.3 Legal Aspects

The unavailability of supporting documents for the entire financial year means fundamental non-compliance with the laws and interim constitution of the country.

The missing documents are a breach of Section .261(3) FAPO which stipulates that “forms,

books and vouchers shall not be burnt up or destroyed unless and until they are audited by the Auditor General's Chamber".

5.4 Attempts made to obtain accounting information

Audit made several attempts to obtain the missing accounting records from the SPLA through various meetings and correspondence. These were not fruitful. The attempts made include:

- Letter written by the SSAC Team Leader on 18 May 2010 and addressed to the Director for Finance and Administration in the Ministry.
- The Deputy Auditor General wrote a letter addressed to the Ministry Undersecretary on 25 May 2010 and,
- The Auditor General also wrote a letter to the Minister on 20 July 2010.

5.5 Recommendation

Armed forces institutions are primarily managed by command. Financial accounting is managed by law, rules, regulations and standard. This doctrinal conflict cannot deliver accountability in a command environment. It is recommended that soldiers should let civilian technical personnel perform the tasks of book keeping and accounting. Protection of national security is the responsibility of all citizens, armed or not.

CHAPTER – 11

THE JUDICIARY

CHAPTER – 11

1. Introduction

The Judiciary of Southern Sudan was taken up for audit scrutiny for the first time with the hope that the degree of compliance to rules and procedures and laws and regulations would be maximal due to the anticipated constitutionality of its work culture. Otherwise the share of Judiciary was less than one per cent of the budget of Government of Southern Sudan.

2. Audit Objectives

- i) To verify completeness in recording of payroll costs, capital expenditure and other operational costs and transactions.
- ii) To verify that all expenditures and transactions were stated at the correct value, supported by appropriate documentation and accurately recorded.
- iii) To verify that all expenditures and transactions were made in accordance with the legislative framework and budgetary limits of the Government of Southern Sudan.
- iv) To verify the existence of the paid employees, and public assets.
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules, laws, regulations and procedures.
- vi) To verify compliance with generally accepted accounting principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure.
- Ascertainment of the existence and application of the internal and budgetary controls.
- Stewardship of Public Assets.
- Disclosures in accordance with Generally Accepted Principles (GAAP).

4. Conclusion

The Judiciary had weak systems for pay roll preparation, nominal roll maintenance, accounting for unpaid salaries, preparation of bank reconciliations, maintenance of budget ledger and archiving of supporting documentation. 29% Revenue retention lacked authority. SDG 303,717 of unpaid salaries and SDG 97,051 paid without vouchers should be accounted for immediately.

5. Findings

5.1 Salary Payments

i) Absence of Nominal Rolls

Paragraph 275 of The Financial Accounting Procedures Ordinance (FAPO) specifies that Payrolls should be prepared to record the salaries of classified employees. The particulars available in the nominal rolls should be used for preparing the Payrolls. Since nominal rolls (Establishment Form 10), were not available audit verifications could not be made.

Implications

In the absence of nominal roll non officials might have been paid salaries

Recommendations

Nominal rolls be maintained as required by the Financial Accounting and Procedures Ordinance (FAPO) and the finance wing use these nominal rolls to prepare the to give clear picture of the total staff with respective designations and grades.

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ii) Absence of complete set of Payrolls

Out of the total salaries of SDG 18,043,564, paid audit was provided with payrolls for only SDG 2,283,328, which represented about 13% of the total salaries paid.

Implication

In the absence of payrolls for 87% of the total salary bill for the year, audit was unable to certify the actual salary paid.

Recommendation

All pay sheets should be brought from the states and kept under proper custody at the head quarter of the Judiciary and made available for audit.

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iii) Absence of Approvals

Audit noted that some of the payrolls were not signed for approval by the authorities.

Implication

Sound internal control system requires that payrolls must be signed and approved. Contrary to this some payroll sheets were not approved by authorized personnel. So audit was not able to certify whether these payments were proper.

Recommendation

We recommend that all payrolls be duly signed by the preparer and invariably authorized by the Controller or Finance Director before bills are presented to the MoFEP or payments are made to officials.

iv) Defective Payroll Preparation

Employees in different states were paid with one payroll sheet. For example with P.O. 748933 and 748965 salaries for staff of Yei and Meridi were paid for February 2007 and March 2007 respectively. This is incorrect and impossible.

Implication

In the absence of strict control on the pay sheets salary payments could be misappropriated.

Recommendation

Finance wing of the Judiciary should establish strict control on pay sheets to prevent misappropriation.

v) Improper Disbursement of Salary

Audit noted that one employee signed on behalf of many for receipt of salaries on the payroll sheets without authorization or procuracy by the individuals. This is contrary to paragraph 278(4) Financial Accounting Procedures Ordinance (FAPO).

Implication

In the absence of proper authorization and approval by the head of the accounting unit salary could be drawn for ghost employees and thereby misappropriation of public funds.

Recommendation

We recommend that salaries should be paid to the legitimate officials unless there is written authorization or procuracy from the individuals.

vi) Unpaid salaries unaccounted

Finance Form No 23 (Deposit Book) to record unpaid salaries was not maintained. Audit review revealed the unpaid salaries to be SDG 303,717 which amounted to 2% of the total salaries audited. Unpaid salaries not accounted for would be for much more if the total salary bill of the year is considered.

Implications

Owing to the non maintenance of Finance Form No. 23, to record unpaid salaries, there is likelihood of unpaid salaries result into misappropriation of the public funds.

Recommendations

Audit recommends that the Judiciary maintains Finance Accounts Form No. 23 (deposit book) to record the unpaid wages and salaries. The deposit book will ensure that unpaid salaries are tracked to avoid any risk of misappropriation.

5.2 Operating Expenditure

i) Absence of Supporting Documents

Test audit revealed that operating expenditures amounting to SDG 97,051 did not have appropriate supporting documentation. The unsupported expenditure constituted 3% of the total operating expenditures (Appendix I).

In addition audit noticed an expenditure of SDG 3750 for vehicles parked in Khartoum. The expenditure was not supported by documents and the need for these vehicles in Khartoum for the Judiciary is unclear.

Implication

In the absence of supporting documents, audit could not ascertain whether these payments were made for the purposes intended.

Recommendation

Finance wing of the Judiciary should ensure that all expenses are accounted for and supported by necessary documentation. These include invoices, pay lists, receipts and pro-forma invoices, Goods Received Notes etc. In addition, the department should ensure that

cash requests made by the Judiciary are utilized for the purposes for which they were requested.

ii) Unsupported payments to Justice of the Supreme Court / Special Court

SDG 21,493 were paid as reference allowances to a Justice of the Supreme Court and as remuneration to the President of Special Court of Greater Bahr el Ghazal, but no signed receipt was obtained (Appendix 2).

Implication

In the absence of signed receipts audit could not ascertain the veracity of the payments.

Recommendation

Higher judicial officials need to set an example in following the financial rules especially when they receive the money. Finance wing of the Judiciary should ensure that all payments made are supported by duly executed receipts.

iii) Expenditure outside the Budget

Test Audit revealed that SDG 23,524 and SDG 7,775 were paid for air time and as incentive allowance respectively. But these payments were not included in the budget of the Judiciary or no budget transfer was obtained from Finance (details available).

Implication

Expenditure items beyond the budget are violation of the Appropriation Act.

Recommendation

Budgets should be prepared with care to include all routine and anticipated items of expenditure for approval by the Parliament. Thereafter strict budget control mechanisms be established so that no payments are made out of budget or without prior authorization from the MOFEP in terms of budget transfers.

iv) Payment of incorrect bills

Vide PO 748796 dated 4 Dec. 2007 SDG 22,000 was paid to a member of the staff for purchase of electricity materials. The invoice provided by the supplier was for materials valued at SDG 3,100 but the total of the invoice was for SDG 22,000.

Implication

Lack of proper checking of suppliers' invoices and receipts before making payments leads to misappropriation and loss of public funds.

Recommendation

Audit recommends investigation of the case, fixing of responsibility, recovering the excess money paid and prevent recurrence of such carelessness in future.

v) Flouting the financial rules

Contrary to Paragraph 302 of the Financial Accounting Procedures Ordinance (FAPO) most of the Payment Orders were not signed by the official preparing the payment order. The Director of Accounts does not sign on approval. Furthermore Pay lists for various expenses and claims paid to individuals are approved by the Controller of Accounts only.

Implications

Flouting such internal control systems would result in loss of public money

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Recommendations

All Payment Orders be duly signed by those who prepare, check and approve and the payee in order to achieve a sound internal control system in the Judiciary.

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5.3 Budgetary Control

i) Expenditure Ledger maintenance

The Judiciary did not maintain an Expenditure ledger for budget control purposes. The ledger should be maintained to monitor expenditure against the budget showing individual budget line items, amount spent to date and the balance yet to be utilized. There are

indications that the Judiciary may have moved funds from one budget item to another without authorized transfer by the MoFEP as required by FAPO. Furthermore the cash book did not show the detail of operating expenditures by line items of the budget.

Implications

In absence of the budgetary controls, there is likelihood that funds may have been shifted between budget line item without getting detected. Due to this, there is likelihood of the risk that there were no adequate budget monitoring processes as required under section 13 of the FAPO on supervision and financial control of recurrent budget.

Recommendations

Finance wing should maintain an expenditure ledger to monitor budget execution on a real time basis.

5.4 Revenue Retention

i) Absence of Guidelines

Audit was informed that out of the total revenue collected by the Judiciary, 60% was transferred to Finance while 40% was retained by the Judiciary in a special account. But:

- The actual transfers to Finance were 71% and the amount retained in the special account was only 29%.
- No authorization was issued from the Finance allowing the Judiciary to retain a portion of the revenue collected and the purposes for which the retained revenue will be utilized by the Judiciary.
- No bank statements for the special account were presented to audit and no bank reconciliations were prepared.
- It cannot be confirmed whether the retained revenue was included in the budget of the Judiciary since the amount was not communicated to Finance.

Implication

The absence of proper guideline and control on usage of revenue by Finance and Judiciary may enable off budget expenses and weaken budgetary control.

Recommendation

Collection and utilization of revenue should be with clear guidelines from the Finance and any revenue collected and retained by the Judiciary be communicated to Finance.

5.5 Bank Reconciliation Statement

i) Absence of practice

Periodic bank reconciliation should be done in a timely manner to ensure early detection of errors and irregularities. The reconciliation statement should be signed by the preparer and reviewed and approved by a responsible supervisor. However, this was not in vogue.

ii) Implications

Mistakes by the bank, mistakes by the cash section and other irregularities may endanger public funds and remain undetected.

Recommendations

Monthly bank reconciliation has to done performed by the Finance wing and got approved at the appropriate level.

Appendix 1: – Operating expenditures without supporting documents

Sr. No.	Payee	P.O. No.	Date	SDG
1	Available	747056	26.06.07	1,424
2	Available	039335	30.12.07	15,000
3	Available	039323	30.12.07	10,000
4	Available	748728	31.08.07	18,723
5	Available	747057	26.06.07	5,200
6	Available	039313	13.12.07	4,410
7	Available	748969	27.03.07	12,200
8	Available	748974	03.04.07	360
9	Available	748971	30.03.07	1,750
10	Available	748922	02.03.07	11,890
11	Available	747049	18.06.07	310
12	Available	748049	18.06.07	5,707
13	Available	747039	07.06.07	440
14	Available	748736	13.09.07	8,637
15	Available	747068	06.07.07	1,000
	Total			97,051

Appendix 2:-

(a): Payments for air time not budgeted

Sr. No.	Month	SDG
1	March	3,476
2	May	1,650
3	July	10,660
4	August	6,118
5	September	1,520
	Total	23,524

(b): Payments for incentives not budgeted

Sr. No.	Month	SDG
1	July	2,525
2	August	2,550
3	September	2,700
	Total	7,775

CHAPTER – TWELVE

INDEPENDENCE COMMISSIONS

**SOUTHERN SUDAN ELECTRICITY
CORPORATION**

CHAPTER – 12

1. Introduction

The power stations in Juba, Malakal and Wau existed till December 2006 under the administration of National Electricity Corporation-Khartoum. On the 19th Dec. 2006 vide council of Minister Resolution 255/2006, South Sudan Electricity Corporation was mandated to generate, distribute and sell electricity throughout Southern Sudan.

2. Audit Objectives

- i) To ensure completeness in recording of payroll costs, capital expenditure and other operational costs during the year of audit.
- ii) To ensure that all expenditure in the year of audit is stated at the correct value, supported by appropriate documentation and accurately recorded by the ministry.
- iii) To ensure that all expenditure in the year of audit was made in accordance with the legislative framework of the Government of Southern Sudan.
- iv) To ensure that there was existence of the paid employees and fixed assets procured during the year.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure.
- Ascertainment of the existence and application of the internal and budgetary controls.
- Stewardship of Public Assets.
- Disclosures in accordance with Generally Accepted Accounting Standards (GAAP).

4. Conclusion

South Sudan Electricity Corporation has to improve internal control systems to properly account for budget execution, revenue collection and operating expenditure. In 2007 the corporation did not account for revenue collection of SDG 1,311,862 and the operating expenditure of SDG 1,472.191. The budget limit was exceeded by SDG 1,316,355.

5. Findings

5.1 Budgetary Performance

The South Sudan Electricity Corporation received SDG 9,250,234 from the Ministry of Finance and Economic Planning. The Southern Sudan Electricity Corporation spent a total of SDG 9,254,727. Together with unremitted revenue of SDG 1,311,862 the total expenditure for the year amounted to SDG 10,566,589.

Implications:

Not accounting for the revenue to GoSS is unauthorized and has falsified the financial statements of GoSS.

Excess expenditure without budgetary provision is over riding the legislative powers.

Recommendations:

MoFEP should demand and monitor remittance of non oil revenue every month so that the financial statements of GoSS are reliable.

5.2 Operating expenditure

FAPO Articles 108 (1-3) & 109(1-5) were not observed and SDG 1,472,191 was paid to various vendors by cheque without the supporting documents (Appendix 1).

Implications:

Expenditure without supporting documents can lead to misappropriations.

Recommendations:

Internal audit should enquire and report within three months to Audit Chamber, that these are genuine payments failing which it should be reported for prosecution

5.3 Revenue Collection

Revenue collected according to FF 15 and FF. No.67 amounted to SDG 1,311,862. But this was not remitted to GoSS.

Implication:

Not accounting for revenue collection to GoSS can lead to misappropriations and weakening the financial controls.

Recommendation:

MoFEP should have strongest internal control mechanisms for non oil revenues.

Appendix 1: - Payments without supporting documents

S/No.	DATE	Payee	CHEQUE No	AMOUNT PAID SDG	REMARKs
1	15-05-07	Moses Soro Paulo	Ch # 12	23,072	Thuraya phone cost
2	18-05-07	Justin Aggery Anduga	Ch # 17	11,598	(8)Airteckets Cost
3	23-07-07	Ernesto Bol Achol		5,150	(8)Airteckets Cost
4	30-11-07	Juba Investment Group Co.	A/C 1197	1,403,280	Gas oil &Engine
5	10-12-07	Isaiah Ajack Thue	Ch # 320	9,940	Transportation Cost
6	13-02-07	Pull Abdalla Baya	Ch # 325	12,151	Various claim Cost
7	21-12-07	Kamal Abdalla Modi	Ch # 345	7,000	Entertainment money Cost
	Total			1,472,191	

CHAPTER – THIRTEEN

**SOUTHERN SUDAN
HUMAN RIGHTS COMMISSION
June 2006 to Dec 2007**

CHAPTER – 13

1. Introduction

It was a significant public policy statement to the international audience that Southern Sudan was a progressive and modern state when on 26th June, 2006 a presidential decree was issued for the establishment of South Sudan Human Rights Commission (SSHRC) as required by the Interim Constitution of South Sudan. Immediately some commissioners were appointed and the commission started functioning..As the first Audit Report on SSHRC this report covers a period of eighteen months from June 2006 to December 2007.

2. Audit Objectives

- i) To ensure completeness in recording of payroll costs, capital expenditure and other operational costs during the year of audit.
- ii) To ensure that all expenditure in the year of audit is stated at the correct value, supported by appropriate documentation and accurately recorded by the ministry.
- iii) To ensure that all expenditure in the year of audit was made in accordance with the legislative framework of the Government of Southern Sudan.
- iv) To ensure that there was existence of the paid employees and fixed assets procured during the year
- v) To verify the existence and efficacy of internal controls to protect public funds and the constitutionality in practice to follow rules , rules, laws , regulations and practices and
- vi) To verify the compliance with Generally Accepted Accounting Principles.

3. Scope of Audit

The scope of audit was designed to achieve the objectives enumerated above with respect to the transactions for FY 2007. The span of audit included:

- Payroll costs.
- Capital expenditure.
- Operational and other expenditure and.
- Ascertainment of the existence and application of the internal and budgetary controls
- Stewardship of Public Assets and
- Disclosures in accordance with GAAP

4. Conclusion:

Budgetary control was weak with extra budget expenditure (SDG 353,923) and savings being diverted without being surrendered (SDG 2,871,173). There were cases of plain fraud in claiming double rent and rent not due (USD 104,055) and loans not being recovered or medical costs not accounted for. Expenditure without supporting documents was for SDG 865,404. In the case of Pay roll expenditure, some constitutional appointees had claimed allowances without necessary authority (SDG 18,000) and cases of unaccounted unpaid pay and absence of nominal rolls were noticed. Officials also defrauded government with bogus bills and double claims. Discretionary payments showed lack of internal control and supervision. In sum, there was a lot of cleaning up to do in the financial administration of the commission

5. Findings

5.1 Budget Execution

The oversight of budget and risks and institution of checks and balances for managing public resources was not adequate. In this regard, the commission did not adopt a system of budgetary control, contravening Human Rights Commission Act, Article 42, which states "...The commission shall manage its finances in accordance with sound financial principles and practices and shall, in that respect ensure that its budget is sufficient to meet its expenditure, including payment of operational cost," and did not seek supplementary appropriations.:

i) Budget overrun was SDG 353,923 :

Items	Actual SDG	Budget SDG	Variance SDG	Variance%
Temporary & casual labor	136,459	10,000	126,459	1,264.60
Hospitality	246,312	100,000	146,312	146.31
Office and general supplies	24,812	9,000	15,812	175.69
Vehicle maintenance	79,470	21,000	58,470	278.43
Donations and grants	16,870	10,000	6,870	68.70
Total	503,923	150,000	353,923	235.95

ii) Unbudgeted expenditure, was SDG 39,804 :

items	Expenditure SDG
Courier and postal services	8,971
Medical cost	20,318
Other maintenance	10,515
Total	39,804

iii) Budgetary savings spent without approval was SDG 2,871,173:

Items	Expenditure SDG	Budget SDG	Savings SDG
Salaries and wages	902,953	1,237,824	334,871
Utilities	5,604	20,000	14,396
Telecommunication	1,994	38,456	36,461
Domestic travel	76,597	326,000	249,403
Foreign travel	156,510	296,000	139,490
Printing and advertising	7,340	99,960	92,620
Rent and hire of equipment	469,725	475,720	5,995
Training expenses	118,914	336,000	217,086
Insurance	0	40,000	40,000
Specialised materials and supplies	0	30,000	30,000
Fuel and lubricants	64,084	150,000	85,916
Other operating expenses	5,340	40,000	34,660
Transfers to States and Counties	0	400,000	400,000
Purchase of furniture and general equipment	169,764	250,040	80,276
Purchase of vehicles and other transport equipments	0	340,000	340,000
Purchase of specialised plant, equipment and machinery	0	30,000	30,000
Research, project preparation, design and supervision	0	300,000	300,000
Construction and civil works	0	400,000	400,000
Rehabilitation and renovation of assets	0	40,000	40,000
Total	1,978,826.36	4,850,000	2,871,173

Implications

SSHRC was over riding legislative powers. MoFEP did not control budget execution.

Recommendations

Budgetary control must be in place with better estimations. MoFEP transfers must be attuned to budget appropriations. For unforeseen expenditure, supplementary budget must be resorted to.

Re appropriation of savings should be with the approval of MoFEP or the Assembly.

The board to oversee and align the strategic plans and trends of expenditure periodically.

5.2. Operational expenditure

i) Fraudulent Payments USD 104,055

An official of the commission claimed house rent under two different lease agreements signed with two different landlords while continuing to live in hotels and claim hotel bills.

Further one Bros & Co Ltd presented two similar hotel bills for USD 12,400 for January 2007 and a bill of USD 19,220 with no details of duration and beneficiary of occupation.

EV	Chq#	Date	Particulars	Details
4519	22	05/09/07	House rent USD 21,000 for seven months	Dr. Anei Adik Arop made a lease agreement with landlord Angelo Dungulogo Waure from Jun 2007 to May 2008 for him & Nyang Lul Jok.
5136	1951	03/12/07	House rent USD 18,000 – one-year payment	Dr. Anei Adik Arop made a lease with landlord Ring Chan Malual Chan from Oct 2007 to Sept 2008
4809	1717	04/10/07	USD 14,260 paid to Bros & Co Ltd	Nyang Lul Jok was accommodated from Jun 2007 to Aug 2007
4809	1717	04/10/07	USD 9,200 to Continental Guest House	Dr. Anei Adik Arop accommodated from Jun 2007 to Aug 2007
5136	1951	03/12/07	USD 3,000 to Continental Guest House	Dr. Anei Adik Arop accommodated in Sept 2007
5136	1951	03/12/07	Hotel bill USD 4,650 paid to Bros & Co Ltd	Nyang Lul Jok was accommodated in Sept 2007
4617	1654	06/09/07	USD 2,325 to Continental Guest House	Dr. Anei Adik Arop accommodated in Dec 2007
4617	1654	06/09/07	Bros & Co Ltd paid twice – two similar bills for USD 12,400	Nyang Lul Jok and Kongdier Dut accommodated
4617	1654	06/09/07	USD 19,220 paid to Bros & Co Ltd	No details on occupants and the number of days accommodated

Implications

Indicated weak internal controls. Public funds misappropriated.

Recommendations

There should be segregation of duties with specific job descriptions along with supervision and internal audit

The public funds should be recovered and the guilty punished

ii) Unaccounted medical costs USD 12,200

Ministry of Public Service had not come up with a clear policy on how the medical costs and advances are to be regulated. Consequently, there was no governmental policy to govern the payments. The official in the following instances did not account for the medical cost.

EV	Chq#	Beneficiaries	Amount USD
5357	2020	Deputy Chairperson	10,000
AJ 260420	-	Deputy Chairperson's son	2,200
Total			12,200

Implications

In the absence of Medical Allowance Policy public funds were endangered.

Recommendations

Public Service should come up with a health insurance policy.

The beneficiary should account for the public funds in the above case

iii) Transactions with no supporting documents for SDG 849,404

Several transactions for SDG 849,404 did not have supporting documents (Annexure 1)

Implications

Transactions with no supporting documents will result in abuse of public funds and is an indicator of poor financial management and lack of internal controls.

Recommendations

Internal audit should review all these sample transactions and such others without supporting documents and recover where public funds have been abused..

iv) Repair costs for vehicles uninsured USD 16,121

The commission did not insure the vehicles (GoSS 167 BC,170 BC and SSPS 37) as stipulated in Article 67.of FAPO. Consequently, the commission had to pay for repairs to vehicles involved in accidents USD 16,121,in December 2007.

Implications

The risk is avoidable.

Recommendations

Public property should be insured and the commission should use the budget provided for insurance.

5.3 Capital Expenditure

Improper procurement procedure

The commission did not follow the procedure for contracts with consultants, suppliers and contractors stipulated in the Interim Public Procurement and Disposal Regulations 2006.

A contract was entered into with Abshaka Company and 70% advance (USD 82,373) was paid for a consignment of prefabs, furniture and fittings. There was no proof of goods received.

Another contract was signed with Platinum Construction Company, but the terms of agreement were not availed to audit. It was noted that the commission committed itself to paying USD 76,000 as 50% advance to the company.

The commission signed a contract with Mizphah Contractor Agency for supply of electrical materials, for USD 5,054but the commission paid USD 6,054 Similarly for construction of generator house USD 1,670 was agreed upon but paid USD 1,970.

Further, the commission paid for in house consultants SDG 10,000 as under

EV	Date	Name	Amount SDG
At 211008	05/10/2007	Joy Kwaje Eluzai	3,000
At 211008	05/10/2007	Thomas Dut	2,000
At 211008	05/10/2007	David Charles	2,000
At 211008	05/10/2007	Nyang Lul Gai	500
At 211008	05/10/2007	Kongder Dut	500
At 211008	05/10/2007	Anei Adik Arop	2,000

For external consultancy SDG 93,061 was paid but the agreements were not availed to audit.

EV	Date	Name	Amount SDG
At 211008	05/10/2007	Andrew Leju	6,000
At 211008	05/10/2007	Nora Benjamin	3,000
At 211008	03/10/2007	Jeremiah Swaka	2,500
At 211008	04/10/2007	John Saverio	2,580
At 211009	04/10/2007	Sam Sempangi	42,000
At 211007	03/10/2007	Jane Kiragu	10,206
At 211007	03/10/2007	Mayen Wol	2,000
At 211007	03/10/2007	Robert Kirenga	2,000
At 211007	03/10/2007	Dong Samuel	2,000
At 211007	03/10/2007	Chol Ayok	1,000
At 211020	29/10/2007	Sam Sempangi	1,000
At 211036	23/11/2007	Sam Sempangi	15,050
At 211037	30/11/2007	Robert Kirenga	3,225
PV	25/08/2007	Sam Sempangi	500
		Total	93,061

Implications

Failure to observe procurement process can result in uneconomic purchases and loss of public money through non supply or fraud by officials.

Recommendations

All procurements for goods, services and contracts, should be as provided for in the Financial and Accounting Procedure Ordinance (FAPO), Chapter 8 Article 61 and 65 and IPPDR.

The above cases should be reviewed and a report sent to Audit Chamber in six months and guilty punished and public money recovered.

5.4. Payroll expenditure

i) Nominal rolls

The commission did not maintain the nominal rolls as stipulated by Article 271 of FAPO. Hence. audit was not able to verify whether salaries were paid according to the employee grades.

Implications

The nominal roll sets a budget limit and in its absence there is a risk of budget over run .

Employees may also be classified and remunerated wrongly

There is a risk that the payrolls are susceptible to manipulations and errors.

Recommendations

The payroll should be reconciled with the nominal roll before the salaries are paid.

The commission should submit the nominal rolls to the Ministry of Labour and Public Service MoFEP should insist on this before salary transfers are made.

ii) Wrong payment of monthly constitutional allowance

The Chairperson was paying herself monthly constitutional allowance without an authority from the Council of ministers as shown below:

EV	Month	Amount SDG
PV 34	May 07 and June 07	4,000
PV 104	August 07	2,000
At 211013	September 07	2,000
AJ 260493	January 07 and April 07	8,000
PV 79	July 07	2,000

Implication

Constitutional post holders resorting to self-serving practices can result in loss of image to government, loss of institutional values and abuse of public funds

Recommendation

Internal Audit should review and recover the allowances so paid without authority

iii) Unpaid Salaries

For six consecutive months some employees did not collect their salaries, and audit cannot vouch whether they eventually claimed their salaries. Further investigations revealed that these employees did not have personal files. The payroll of October 2007 was missing. Details of. Uncollected salaries were as below:

Month	Name	Grades	Net pay	Total SDG
June	1. Wilfred Ochieng Plalum	5	1,500	3,250
	2. Lomuya Gabriel Tobias	9	1,750	
July	1. Wilfred Ochieng Plalum	5	1,500	3,450
	2. Lomuya Gabriel Tobias	9	875	
	3. Alfred Wani	11	1,075	
August	1. Wilfred Ochieng Plalum	7	1,188	2,593
	2. Lomuya Gabriel Tobias	9	825	
	3. Alfred Wani	11	530	
September	1. Wilfred Ochieng Plalum	7	1,188	2,593
	2. Lomuya Gabriel Tobias	9	825	
	3. Alfred Wani	11	530	
November	1. Wilfred Ochieng Plalum	7	1,099	1,872
	2. Lomuya Gabriel Tobias	9	773	
December	1. Wilfred Ochieng Plalum	7	1,099	1,099

Implications

There is a risk that unauthorized persons may collect such salaries and employees not on roll might get included in the pay rolls.

Recommendations

Internal audit should get monthly payrolls and nominal rolls reconciled and also review the payroll of October 2007. MoFEP should insist on these rolls and reconciliation before transferring funds to the ministries.

iv) Unrecovered loan USD 8,975 and advance SDG 6,750

The commission did not register advances to employees, as stipulated in Article 273 FAPO *“advances against salaries are charged against suspense account (miscellaneous loans) in the name of the borrowers; deductions in respect of advances are also credited to the account.”*

For example, A Mr. Kongdier Dut Jok, a member of staff at SSHRC, submitted a letter without prior approval of the Chairperson SSHRC to the Minister of Finance and Economic Planning, requesting a loan of US\$ 8,975 This transaction was not recorded in the commission books of accounts. Other cases of unrecovered advances are also listed below:

EV	Chq #	Date	Name	Amount
4421	1608	17/08/07	Available	USD 8,975
AJ 260436		22/01/07	Available	SDG 800
AJ 260449		09/02/07	Available	SDG 500
AJ 260463		10/03/07	Available	SDG 200
PV 112		21/09/07	Available	SDG 1,000
PV 112		21/09/07	Available	SDG 300
At 211013		16/10/07	Available	SDG 450
AJ 260458		15/02/07	Available	SDG 3,300
PV 77		14/08/07	Available	SDG 200

Implications

This is an abuse of public funds and is an indicator of poor cash management.

Recommendations

The commission should record and update the advances or loans paid to its employees.

The Director General of Administration and Finance should follow up and make sure that all loans are fully liquidated.

Appendix 1:- Expenditure with no supporting documents

EV	Particulars	SDG
AJ 260429	Fuel	60
AJ 260430	Fuel	24
AJ 260431	Engine oil	55
AJ 260439	Fuel	200
AJ 260445	Allowance	500
AJ 260447	Fuel and lubricant	750
AJ 260450	Lubricant	260
AJ 260459	Fuel	280
AJ 260459	Office supplies	40
AJ 260459	Water & soda	98
AJ 260460	Water and cleaning materials	65
AJ 260466	Fuel	40
AJ 260467	Fuel	200
AJ 260469	Lubricant	250
AJ 260470	Fuel	100
AJ 260471	Battery	200
AJ 260475	Building materials - generator shelter	206
AJ 260476	Stationery	200
AJ 260476	Sugar, milk, & tea	33
AJ 260452	Fuel	100
Aj 260482	Fuel	20
AJ 260483	Fuel	130
AJ 260483	Water	30
AJ 260486	Fuel	104
PV 09	Lifting of generator	300
PV 15	Hire of vehicle	4,000
PV 16	Inspection of generator	150
PV 18	Payment to T. Dut's brother	100
PV 25	Meeting expenses - SSHRC & Geneva HRC	1,000
PV 27	Per diem	3,000
PV 28	Per diem - foreign travel	2,400
PV 28	Air ticket - foreign travel	788

PV 65	Vehicle maintenance	190
PV 90	Refund of travel allowance	1,000
PV91	Refund of travel allowance	2,060
PV 94	Adaptor for laptop	230
PV 97	Fuel	690
PV 101	Communication & printing	80
PV 102	Hire of car	40
PV 105	Stationery	730
PV 105	Hospitality	700
PV 109	Fuel	1,000
PV 109	Vehicle maintenance	180
PV 112	Advertisement	276
PV 117	Per diem	1,400
PV 118	Digital camera	600
At 211001	Air ticket	1,060
At 211008	Per diem	21,000
At 211008	Secretarial allowance	7,400
At 211010	Hire of car	630
At 211012	Stationery	300
At 211012	Fuel	200
At 211012	Communication	400
At 211012	Beverages	50
At 211012	Air ticket	2,519
At 211013	Per diem	630
At 211014	Vehicle maintenance	260
At 211016	Printing of ID cards	1,350
At 211016	Fixing of sign post	975
At 211017	Fuel	4,164
At 211017	Hire of car	600
At 211018	Travel allowance	1,000
AT 211020	Vehicle maintenance	350
At 211021	Air ticket	600
At 211023	Fuel	500
At 211023	Domestic travel (Air ticket)	1,200
At 211023	Daily subsistence allowance	2,800
At 211024	Contribution for condolence	1,000
At 211025	Fuel	1,364

At 211027	Printing of logo	1,100
At 211027	Vehicle maintenance	1,165
At 211028	Return ticket	3,238
At 211028	Fuel	400
At 211029	Hire of car	50
At 211036	Vehicle maintenance	670
At 211036	Stationery	500
At 211036	Fuel	3,045
At 211038	Fuel	4,200
At 211039	Office furniture	164,764
At 211039	Accommodation in hotel	224,780
At 211042	House rent James Nathan & Andrew Alfonse	144,000
At 211051	Domestic travel (Air ticket & DSA)	1,928
At 211051	Foreign travel (air ticket & DSA)	6,235
At 211051	Water tank	5,000
At 211052	Vehicle maintenance	7,800
At 211052	Fuel	100
At 211054	Stationery	500
At 211055	Vehicle hire	13,135
At 211055	Consultancy fee	6,000
At 211055	Communication	1,185
At 211055	Annual report	22,340
At 211055	Decoration	3,655
At 211055	Fuel and lubricant	390
At 211055	Fuel and lubricant	550
At 211055	Printing of T-shirts	62,220
At 211055	Incentive	7,690
At 211055	Human rights awareness	18,670
At 211055	Police band	1,100
At 211055	Traditional dancers	4,000
At 211055	Stationery	31,430
At 211055	Beverages	1,530
At 211055	Security	1,111
At 211055	Printing and advertisement	284
At 211055	Musicians	1,990
At 211057	Vehicle maintenance	1,430
At 211057	Hire of car	1,200

At 211057	Fuel	300
At 211057	Accommodation	1,000
AJ 260421	Fuel	120
AJ 260458	Domestic travel	4,800
AJ 260458	Vehicle maintenance	774
AJ 260464	Domestic travel	682
AJ 260465	Per diem	4,000
PV 05	Generator maintenance	1,035
AJ 260500	Domestic travel	1,700
PV 03	Vehicle maintenance	1,000
PV 04	Vehicle maintenance	880
AJ 260496	Foreign Travel	2,000
PV 82	Foreign travel	2,000
PV 75	Extension cable	200
PV 57	Beverages & tea	500
PV 51	Vehicle maintenance	216
PV 50	Foreign travel	1,600
Total		865,404