

INTRODUCTION

The year 2008 was the fourth fiscal cycle of the Government of Southern Sudan. The Financial Statements for 2008 were issued in January 2012 and hence the late presentation.

The audit of the Financial Statements of 2008 was conducted in 2012. Government Ministries and Agencies were more responsive to audit than in previous years. I thank the President for his helpful phone calls on this matter. For the first time, audit somehow covered SPLA and Interior. During 2012, several institutions stepped forward to voluntarily ask for audit services. Several investigations were conducted on request.

The human capacity constraints of the previous years had been reduced to some extent. The adoption of the Financial Accounting Procedures Ordinance in 2007 improved the systems gap. Unfortunately, these modest improvements in capacities were not proportionately reflected in the quality of financial management. Budget execution remained a serious challenge. Spending procedures were widely ignored. Legislative oversight was rendered weak. Revenue accounting was anything but transparent.

We in the National Audit Chamber are encouraged by the positive reaction of the people of South Sudan to the reports we have so far published.

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 195 (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 195 (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 are the responsibility of the Ministry of Finance and Economic Planning. That Ministry is primarily responsible for budget execution and efficient cash management. In addition, the ministry is 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 are free from material misstatement, whether due to fraud or error. The Ministry of Finance and Economic Planning has the responsibility of selecting and applying appropriate accounting policies and making accounting estimates that are 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 2008 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, both financial and human, amongst other reasons. The sample of ministries, months of audit and vouchers were selected on the basis of perceived risk and financial 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.