

INTRODUCTION

Let me seize this opportunity to thank the President and the Legislative Assembly for entrusting me with the office of the first Auditor General of the sovereign Republic of South Sudan.

With the help of Almighty God, I pledge to you, the President and people of this Republic that I shall endeavour to serve you diligently, faithfully and impartially during my tenure in office.

Pursuant to Section 186 (8) of the Transitional Constitution of the Republic of South Sudan, read together with Section 195 (5) of the Interim Constitution of Southern Sudan, I have the honour to present the Statutory Audit Report on the accounts of the Government of Southern Sudan (GOSS) for the year ended 31st December 2007.

The year 2007 was the third year of the formation of the Government of Southern Sudan. This report should have been presented in 2008. For reasons with which we are all familiar, the reports are being issued this late. We pledge that the audit of the remaining accounts of the former Government of Southern Sudan shall be completed and presented to the President and this House within the year 2012.

Allow me to address the concerns of some members of this House that the audit reports for 2005 and 2006 were not comprehensive

True, they were not comprehensive but they were adequate. Here are the reasons:

- a) The constitutional mandate of the Auditor General is to form and express an opinion on the financial statements presented by the Ministry of Finance and Economic Planning. It is not scientifically necessary to vouch all or even a large volume of transactions for the purpose of forming an opinion. I assure this House that the sampling techniques we applied enabled us to reach a valid conclusion about the truthfulness and fairness of the financial position of the government as a whole for the years 2005 and 2006. The coverage for 2007 is broader but the same sampling principles were applied.
- b) Auditing, by definition and professional practice is not about completeness. It is not practically feasible to vouch all government or corporate transactions. Southern Sudan had almost 80 county governments, ten State governments with their own legislatures, and scores of Commissions.

The Central government itself has numerous Ministries, Departments, Corporations and other agencies. In terms of capacity, the Chamber had less than 30 auditors. The Chamber could have outsourced some of the operations but it was awfully under-funded. We had an unstable leadership. We had no Audit Chamber Act. For these reasons, the span of the audit was pre-restricted.

- c) I am aware that for socio-economic purposes, it is important to cover as much ground as the resources can allow. Once we put the back-log of GOSS behind us, the National Audit Chamber shall strive to deliver audit services to more units of the government. To that end I suggest two additional provisions in what will emerge as the National Audit Chamber Act:
 - The standard practice in our region and the democratic world is for the legislature to appropriate the budget of the Audit Chamber directly from the Consolidated Fund. This is the accepted international practice of upholding the independence of the Audit Chamber as required by the constitution.
 - After the House has deliberated on the Auditor General's report and taken a decision on its findings, a follow up mechanism on its recommendations is included.
- d) While the audit of the financial statements for the year 2007 did not cover all the ministries, departments and agencies, the samples of ministries, months of audit, pay-sheets, contracts 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.

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