

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 are the responsibility of the Ministry of Finance and Economic Planning. That Ministry is primarily responsible for budget execution and efficient cash management. The ministry is responsible for ensuring that 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 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.

SCOPE OF AUDIT

I conducted my audit in accordance with International Organisation of Supreme Audit Institutions (INTOSAI) 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.

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 elements above. 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.

Right Honourable Speaker, Honourable Members,

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

GENERALLY

The capacity constraints of the earlier years continued to influence the financial management of the government.

By 2007 the Financial Accounting and Procedures Ordinance had been adopted. Nevertheless, compliance with its provisions was not enforced.