



Accelerated Peer-support Partnership (PAP-APP)
Partenariat d'Appui Accéléré par des Pairs



AUDIT OF IMF COVID-19 EMERGENCY FUNDING

BY THE SAI OF SOUTH SUDAN

WHY THIS AUDIT ?

The covid crisis significantly impacted South Sudan, which had in recent years suffered from civil war and economic challenges. The Government received two rounds of emergency financing from the International Monetary Fund (IMF) amounting to USD 52.2 million and USD 174 million in 2021 and 2022 respectively specifically to cater for salary arrears for civil servants dating back to early 2020. As part of the conditions of the credit facility, the National Audit Chamber (NAC) was required to undertake an audit of the utilization of both rounds of financing. The audits focused on compliance to the Public Finance Management laws and regulations of South Sudan and best practice in utilization of the funds disbursed for payment of salary arrears to the civil servants. allocated and released funds. A general weakness in internal control systems across the government was also highlighted by the audit. In total, about 30% of disbursed funds were not used for the intended purpose.



HOW THE AUDIT WAS DONE ?

The audit followed the ISSAI compliance audit methodology. Data on actual use of the loan from IMF was collected through review of payment data and salary payment sheets in particular. Field visits with document review and interviews were conducted across all Central Government, States and local administrative areas. Considering the large audit scope, all of the SAI auditors were involved in the audit and the IMF provided logistical funding through the Ministry of Finance

FINDINGS AND RECOMMENDATIONS

Key findings from the audit included significant payments to non-beneficiaries and variances between the allocated and released funds. A general weakness in internal control systems across the government was also highlighted by the audit. In total, about 30% of disbursed funds were not used for the intended purpose. The key recommendation was for the Government to implement a biometric payroll management system to enable more efficient salary management and ensure that all salary payments are made through commercial banks.

HOW WAS THE AUDIT SUPPORTED ?

- Digital and in-person technical support in form of general ISSAI training and on-the-job support to planning, execution and report writing was provided to the SAI audit teams by peers from SAI Kenya and IDI.
- The audit was supported through the NAC Strategic Change Project funded by the Norwegian embassy in Juba.

