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INNER CITY PRESS  
EXCLUSIVE MWT CREAT

**Observation No:** 4  
**Audit area:** Finance  
**Issue title:** Maintaining Manual General Ledger System

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### **Condition**

We observed that Ministry of Interior has maintained manual general ledger system for recording the transactions relating to payments of police forces salaries, allowances and food costs.

### **Criteria**

As a prudent business practice project should computerize its financial system including general ledgers, through the use accounting software.

### **Cause**

- Lack of/or inadequate policies/procedures/guidelines; and
- Lack of/or insufficient resources (financial, human or technical resources)

### **Impact or risk**

Maintaining general ledgers manually may have following implications and risks;

- Total, running balance, page total and calculation errors.
- Voucher/Document reference numbers may be written wrong and dissimilar.
- Summarizing accounting entries under final accounts becomes extremely difficult.
- Back dated record is always open for editing.
- Time consuming, slow processing.
- Once stolen, burned, mutilated and or defaced cannot be recovered.

### **Recommendation**

We recommend that the general ledgers system should be computerized through the use/implementation of standards and authenticated accounting software. This will help to reduce the chances of errors and other risks associated with manual system.

### **Priority**

High

### **Management comments**

This is not LOTFA mandate, the subject should be implemented by GoA/MoF relevant units.

### **Responsible Manager**

### **Expected Completion Date**