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EXCLUSIVE MJT Credit

Observation No: 8
Audit area: Finance
Issue title: Bank payment details/Bank transfer letters not available

Condition

During our visit to Jalalabad office, we observed certain instances where copies of bank payment details/ bank transfer letters were not available in respect of payments made to food suppliers. In addition, bank payment details were not available in all cases of salary payments.

We noted that the copies of bank payment details/ bank transfer letters were not attached with vouchers at Central Ministry and were kept in separate files.

Furthermore, in respect of RDPs directly process by UNDP Country office, we were not provided copies of bank transfer letters in the below mentioned instances for verification.

Description	Voucher #	Date	Amount USD
CTC Stationeries	00097627	02-Feb-11	35,380.92
Ghor Training Center 25% payment	00097842	09-Dec-11	110,041.62
IT Equipment, Supplies for CTC	00097960	13-Feb-11	114,851.54
IT Equipment, Supplies for CTC	00097960	13-Feb-11	54,718.29
IT Equipment, Supplies for CTC	00097960	13-Feb-11	153,635.97
MA Services- LOTFA	00098425	26-Feb-11	149,178.00
Supply &IT Equip for Herat PTC	00099084	13-Mar-11	162,240.02
Supply &IT Equip for Herat PTC	00099084	13-Mar-11	50,858.48
Supply &IT Equip for Herat PTC	00099084	13-Mar-11	150,770.47
IT Equipment for PTC	00099089	13-Mar-11	129,910.75
IT Equipment for PTC	00099089	13-Mar-11	107,009.71
Printing of textbooks-ANCOP	00099349	19-Mar-11	54,780.88
Furniture for CTC Kabul	00099604	26-Mar-11	95,306.55
MA services (Feb11), MA Plan	00100045	10-Apr-11	149,178.00
LOTFA MA services (Apr11)	00101067	09-May-11	223,767.00
LOTFA MA (Apr,May11)	00102794	26-Jun-11	223,767.00
1st Installment of ANP training	00102285	12-Jun-11	703,600.00
Mol Chartered Flight-Kabul-Turkey	00102946	19-Jun-11	459,100.00
Copier machines-Regional EPS	00107349	22-Nov-11	129,497.37

Instances where copies of bank payment details/ bank transfer letters were not available at Jalalabad province are detailed below;

Description	Cont. Name	Voucher #	Date	Amount Afs
Payment for food expenses (Meat)	Haji Hafiz Ahmed	16	16-3-1390	9,475,732
Payment for food expenses (meat)	Haji Zarjan wardak	71	26-5-1390	6,223,506
Payment for food expenses (meat)	Haji Zarjan wardak	106	19-7-1390	7,634,589
Food Allowance	N/A	113	25-7-1390	1,881,082

Criteria

Where payments are made through bank transfers, stamped Bank Transfer Debit Advice must be attached to the original Disbursement Voucher.

Cause

- Lack of/or inadequate policies/procedures/guidelines.
- Inadequate Training.

Impact or risk

- Expenses may be recorded for which actual payments may not have been made.
- Overstatement of expenses/payments.
- Difficulty in archiving/tracing the records if kept in separate files.

Recommendation

We recommend that the copies of bank payment details/ bank transfer letters should be retained as an evidence for payment of expenses and attached with vouchers to ensure transparency of payments.

We also recommend that MoI staff should be provided regular trainings to ensure that capacity building activities as planned in the work plan are timely carried out and thereby lead to proper documentation and complete records keeping is ensured.

Priority

Medium

Management comments

The cash is transferred by UNDP/CO, and the copies of bank detail are kept by finance unit at UNDP/CO. The audit team request to verify some bank details, LOTFA project provided the bank transfer in two tranches, the first tranche were verified and the second is ready at project for verification.

After finalization of M-16 different units at MoI and MoF, the Treasury payment unit at MoF and Mostofiats at provinces transfer check to DAB based on the M-16. The original payment vouchers are recorded at Treasury/Mostofiat along with the banking transfer details, a copy of record is maintained at PHQs as well. Nangarhar PHQ will send the banking detail, in case it is required the information will be collected from Kandahar and Heart as well.

Responsible Manager

Expected Completion Date