Office of the Auditor General

THE REPUBLIC OF UGANDA

ANNUAL REPORT OF THE AUDITOR GENERAL TO PARLIAMENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

CONSOLIDATED AUDIT FINDINGS

DECEMBER 2022

THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

OFFICE OF THE AUDITOR GENERAL
UGANDA

DECEMBER, 2022

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LIST OF ACRONYMS

ACRONYM	DESCRIPTION
AG	Auditor General
AO	Accounting Officer
Bn	Billion
BoU	Bank of Uganda
CAs	Contracting Authorities
CFR	Central Forest Reserve
DGAL	Directorate of Government Analytical Laboratory
DLB	District Land Board
FY	Financial Year
GDP	Gross Domestic Product
GoU	Government of Uganda
ICT	Information Communication Technology
IDA	International Development Association
IESBA	International Ethics Standards Board for Accountants
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
KIS	Kalangala Infrastructure Services
MAAIF	Ministry of Agriculture Animal Industry and Fisheries
MDAs	Ministries, Departments and Agencies
MEMD	Ministry of Energy and Mineral Development
MOFPED	Ministry of Finance, Planning, and Economic Development
MoGLSD	Ministry of Gender Labour and Social Development
MoU	Memoranda of Understanding
MTEF	Medium Term Expenditure Framework
NAA	National Audit Act
NBI	National Backbone Infrastructure
NDP	National Development Plan
NDPII	Second National Development Plan
NEF	National Environment Fund
NEMA	National Environment Management Authority
NFA	National Forestry Authority
NGO	Non-Governmental Organisation
NIN	National Identification Number
NIRA	National Identification Registration Authority
NPA	National Planning Authority
NWSC	National Water and Sewerage Corporation
OAG	Office of the Auditor General
PAPs	Project Affected Persons
PDMF	Public Debt Management Framework
PFMA	Public Finance Management Act, 2015
PS/ST	Permanent Secretary/Secretary to the Treasury
PSST	Permanent Secretary and Secretary to Treasury
TAI	Treasury Accounting Instructions, 2016
TIN	Tax Identification Number
Tn	Trillion
TWGs	Technical Working Groups
UCC	Uganda Communications Commission
UCF	Uganda Consolidated Fund
UDC	Uganda Development Corporation
UETCL	Uganda Electricity Transmission Company Limited
UGX	Uganda Shillings

ACRONYM	DESCRIPTION
URA	Uganda Revenue Authority
USD	United States Dollars
USMID	Uganda Support for Municipal Infrastructure Development
WMD	Wetlands Management Department
YIGs	Youth Interest Groups
YLP	Youth Livelihood Programme

GLOSSARY OF TERMS

Term	Definition
Classified Expenditure	The expenses and commitments incurred by an authorised agency for the collection and dissemination of information related to national security interests
Contingent Liability	A potential liability that may occur depending on the outcome of an uncertain future event.
Domestic Arrears	Domestic arrears refer to short-term debts incurred by Governments against unpaid procurement invoices for supply of goods and services during the financial year
External Debt	Portion of a country's debt that was borrowed from foreign lenders including commercial banks, Governments or international financial institutions.
Garnishee order	A form of enforcing a judgment debt against a creditor to recover money.
Nugatory Expenditure	Expenditure that does not achieve any result
Off-budget financing	Off-buget refers to expenditure that is not funded through the budget
Recruitment	Refers to the process of attracting, screening, selecting, and on boarding a qualified person for a job, provided by an employer in another territory and the preparation for their departure.
Revolving Fund	A fund that is continually replenished as withdrawals are made.

FOREWORD BY THE AUDITOR GENERAL

In accordance with my audit mandate set out under Article 163 of the Constitution of the Republic of Uganda, 1995, as amended, the National Audit Act 2008 and the Public Finance Management Act, 2015, as amended, I hereby present to you the Annual Audit Report on the Consolidated Public Accounts of Uganda; Local Government, and Summary Statement of Financial Performance of Public Corporations, and State Enterprises and Companies in which Government has a controlling interest.

In line with the above mandate, I audited financial statements for 186 MDAs, 83 Statutory Corporations and 151 Local Governments. In addition, I undertook four (4) thematic audits covering: Payroll management in Local Governments following last year's audit outcomes that necessitated deepening payroll audit procedures; Management of IT investments across Government; Management of Public Land; and Implementation of the Approved Budget for the 3rd time since 2019/2020 financial year, to ensure that the appropriated funds are spent appropriately as planned.

The Office's commitment to undertake audits that add value to society remains my main focus. However, during the year, the emergency of Ebola, insecurity in the Karamoja region as well as limited staff resources affected audit activities in the affected areas. These audits will be performed in the 2nd half of this financial year 2022/2023.

I extend my gratitude to the Government of Uganda and all other stakeholders for the support rendered to my Office during the audit year to ensure the continued delivery of my mandate. I also thank my staff for their steady commitment and support towards undertaking audits aimed at improving `the well-being of Citizens'.

John F.S. Muwanga
AUDITOR GENERAL

30th December 2022

PART 1: INTRODUCTION AND PURPOSE OF THE REPORT

1.0 INTRODUCTION AND PURPOSE

1.1 General Introduction

I am required by Article 163(3) of the Constitution of the Republic of Uganda and Section 13 and 19 of the National Audit Act, 2008 and the Public Finance Management Act, 2015 as amended, to audit and report on the public accounts of Uganda and of all public offices including the Courts, the Central and Local Government Administrations, Universities and Public Institutions of like nature and any Public Corporations or other bodies established by an Act of Parliament.

Section 13 (b) of the National Audit Act, 2008 further requires me to conduct the following audits:

- Financial audits
- Value for money
- Engineering
- Information Systems
- Special/Forensic Audits
- Gender and Environment and any other audits in respect of any project or activity involving public funds
- Classified expenditure
- Government investments
- Procurement audits, and
- Treasury Memoranda

Under Article 163 (4) of the Constitution, I am also required to submit to Parliament annually a report of the accounts audited by me for the year immediately preceding. I am therefore, issuing this report in accordance with the above provisions.

1.2 Purpose

The purpose of this report is to provide;

(i) A summary of audit results and opinions for audits done in the year.

(ii) A report and Opinion of the Auditor General on the;

- Consolidated Financial Statements of the Government of the Republic of Uganda for the year ended 30th June 2022
- Consolidated Financial Statements of Local Governments for the year ended 30th June 2022
- The Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises for the year ended 30th June 2022

(iii) A summary of audit results from audit of thematic and focus areas.

(iv) Sectoral and cross cutting findings, implications and recommendations from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations and Local Governments and other specialised audit findings. For the second time, a summary of IT Audit findings have been included in the report under Part 4 of the report.

(v) A summary of findings of completed audits which include opinions from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations (Annexure I).

1.3 Summary of Audit Results

1.3.1 General Performance

At the beginning of the year, I undertook the Shared Overall Risk Assessment (SORA) which determined the planned audits to be undertaken in 2022 Audit Year. The SORA profiled all the audits under the mandate based on different risk factors. Out of the total population of 17,494, 3,996 (21%) with a total budget of (UGX.43.42Tn) representing 97% of the total GoU budget were selected for audit.

A total of 2,056 audits which includes schools and tertiary institutions could not be completed due to the effects of Ebola pandemic, insurgencies in Karamoja region and resource constraints. The restricted movement in Mubende and Kassanda districts disrupted the audit schedules and 5 HLGs of Karenga DLG, Kaabong DLG, Kotido DLG, Kotido MC, Abim DLG have not been audited due to security concerns.

The forensic investigations and special audit reports have been issued to the respective stakeholders who requested for them. The summary is in Table 1 below and details are in Annexure I.

Table 1: Summary of Performance

Type of Entity/Audit	Planned Audits for the audit year 2022	Revised Planned Audits for the year 2022	Actual Performance as at December 31, 2022	Audits in progress
MDAs	160	190	186	4
Funds	6	6	6	-
Classified entities	26	26	10	16
International Audits	4	4	3	1
Commissions, Statutory Authorities and State Enterprises	99	85	83	2
Projects	250	251	153	98
PSAs	4	27	10	17
Districts	156	156	151	5
Municipal Councils and Cities	58	58	56	2
Divisions	20	20	12	8
Lower Local Governments for 2020/2021 and Backlogs	1,833	1,833	458	1,375
Regional Referral hospitals	24	22	22	-

Type of Entity/Audit	Planned Audits for the audit year 2022	Revised Planned Audits for the year 2022	Actual Performance as at December 31, 2022	Audits in progress
Schools/Tertiary institutions year ended 20/21	776	769	633	136
Forensics/Special Audit	80	82	23	59
VFM Studies	28	25	15	10
Engineering Audits	99	416	102	314
IT Audits	10	12	3	9
Treasury Memoranda	3	14	14	-
Audit of Companies with GOU minority interest	-	-	-	-
TOTAL	**3,725**	**3,996**	**1,940**	**2,056**

1.3.2 Summary of Opinions

Of the financial audits concluded (MDA, Commissions, Statutory Authorities and State Enterprises, Projects, Districts and Municipalities), 654 (98%) entities had unqualified opinions while thirteen (13) entities had qualified opinions. Table 2 and figure 1 below provides the summary of the Opinions:

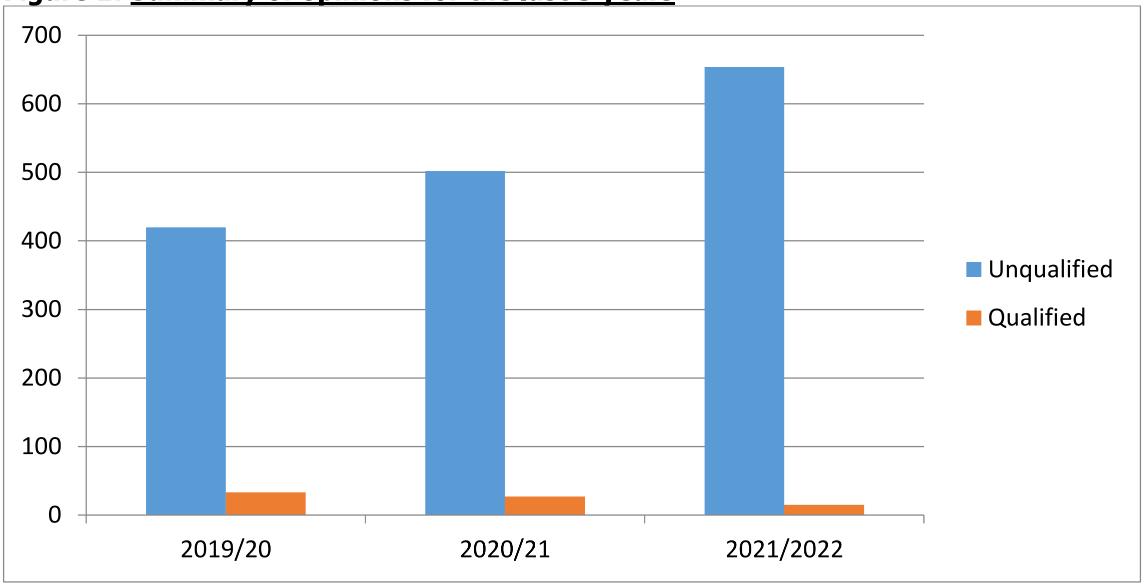
Table 2: Summary of Current Year Opinions

Type of Opinion	2021/22
Unqualified	654
Qualified	13
Adverse	1
Disclaimer	1
Total	669

Table 3: Trend of Opinions for MDAs, Higher Local Governments for the last three years

Type of Opinion	2021/22	2020/21	2019/20
Unqualified	654	502	420
Qualified	13	27	33
Adverse	1	0	0
Disclaimer	1	0	0
Total	669	529	453

Figure 1: <u>Summary of opinions for the last 3 years</u>



PART 2: REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS

2.0. REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE REPUBLIC OF UGANDA FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2022

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying Consolidated Financial Statements of the Government of the Republic of Uganda for the year ended 30th June 2022. These financial statements comprise the Consolidated Statement of Financial Position as at 30th June 2022, the Consolidated Statement of Financial Performance, and Consolidated Cash Flow Statement together with other accompanying statements, notes, and accounting policies.

In my opinion, the Consolidated Financial Statements of the Government of Uganda for the financial year ended 30th June 2022 are prepared, in all material respects, in accordance with Section 51 of the Public Finance Management Act, 2015 (as amended), and the Financial Reporting Guide, 2018.

Basis of Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Treasury in accordance with the Constitution of the Republic of Uganda 1995 (as amended), the National Audit Act, 2008, the International Organization of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code), and other independence requirements applicable to performing audits of Financial Statements in Uganda. I have fulfilled my other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing audits in Uganda. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matter

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined the matters described below to be key audit matters communicated in my report.

2.1 IMPLEMENTATION OF THE APPROVED BUDGET

Paragraph 2 of Schedule 5 of the PFMA 2015, requires Accounting Officers to prepare an appropriation account showing the services for which the money expended were voted, the sums actually expended on each service and the state of each vote compared with the amount appropriated for that vote by Parliament.

Over the years, I have observed improvements in the performance regarding implementation of the budget but entities still face a number of challenges including Covid-19, which continue to affect implementation of activities, service delivery and credibility of the budget. It is against this background that budget performance was considered a key audit area during the office-wide planning. I reviewed documents such as work plans, performance reports, conducted interviews and physical inspection in arriving at my findings.

The approved initial revenue and expenditure budget estimates of the Government of Uganda were **UGX.44.8Tn.** This was later revised, with the revenue budget being increased to **UGX.47.2Tn** while the expenditure budget was increased to **UGX.51.6Tn.** A total of **UGX.48.9Tn** was finally warranted to implement Government programmes. I reviewed the implementation of the approved 2021/2022 budget by Government and noted the following;

Table 4: <u>Showing findings from review of Budget Performance</u>

<table>
<tr><th>No</th><th>Observation</th><th>Recommendation</th></tr>
<tr><td>1.1</td><td><u>Revenue Performance</u>

A review of the approved budget estimates of the Government of Uganda for the financial year ended 30th June 2022 revealed that the initial approved revenue budget was UGX.44.8Tn. This was later revised/increased by UGX.2.4Tn to UGX.47.2Tn. However, UGX.44.4Tn was realised representing 94.2% revenue performance level.

Although the performance is commendable, the shortfall implies that government could not fully finance its planned programmes, which in turn affected service delivery.

The Accounting Officer explained that while tax revenues were affected by poor economic conditions in 2021/22, the overall performance was very good. He further stated that Non-Tax Revenue collections were affected by the general slow economic recovery from the effects of the COVID-19.</td><td>The PS/ST was advised to continue exploring more avenues of ensuring that all budgeted revenue is always realised to fund the budget as approved.</td></tr>
<tr><td>1.2</td><td><u>Utilization/expenditure of Funds</u>

Out of the total available funds of UGX.48.9Tn warranted during the financial year, UGX.44.4Tn was spent by Government resulting into an unutilized balance of UGX.4.5Tn representing a performance level of 90.93%.The summary is shown in the table below;

Table: <u>Showing Utilization of Warrants</u>
<table>
<tr><th></th><th>Revised budget (Tn) A</th><th>Total warrants (Tn) B</th><th>Total payments (Tn) C</th><th>Variance (Tn) D=B-C</th><th>% Variance</th></tr>
<tr><td>MDAs</td><td>46.286</td><td>43.758</td><td>40.004</td><td>3.754</td><td>8.58</td></tr>
<tr><td>LGs</td><td>5.274</td><td>5.095</td><td>4.417</td><td>0.678</td><td>13.3</td></tr>
<tr><td>Total</td><td>51.561</td><td>48.854</td><td>44.421</td><td>4.432</td><td>9.07</td></tr>
</table></td><td>The PS/ST was advised to explore strategies aimed at addressing implementation challenges and also consider issuing warrants based on more realistic revenue projections.</td></tr>
</table>

No	Observation	Recommendation
	I observed that the failure to utilize the funds was attributed to the following; a) Some entities could not raise invoices to utilise all the funds available to them, due to implementation challenges and late release of funds. b) There was a mismatch between total funds issued and the total actual revenue collections, resulting into a funding gap. The PS/ST stated that in the FY 2021/22, the economy was slowly recovering from the COVID-19 pandemic and the projected revenues were not realised. However, the Ministry is committed to ensuring that Budget preparation and execution is credible. To enhance revenues, Government is implementing the Domestic Revenue Mobilisation Strategy, while on the expenditure side, Government has re-prioritised interventions to fit the resource envelop and in line with the NDP III. This will ensure revenues are matched with expenditure.	
1.3	**Un-funded Approved Budget** The PFMA, 2015 Section 15 (1) and (2) requires that after approval of the annual budget by Parliament, the Secretary to the Treasury shall issue the annual cash flow plan of Government, based on the procurement plans, work plans, and recruitment plans approved by parliament. The annual cash flow plan shall form the basis for release of funds by the Accountant General to the Accounting Officers. Section 25(1) of the Public Finance and Accountability Act (PFMA) stipulates that the total supplementary expenditure that requires additional resources over and above what is approved by Parliament shall not exceed 3% of the total approved budget for that financial year, without the approval of Parliament. Whereas the initial budget appropriated by Parliament was balanced (i.e. Revenue estimates equaled expenditure estimates), I noted that the revised budget as a result of supplementaries, had revenue estimates of **UGX.47.2Tn** as compared to expenditure estimates of **UGX.51.6Tn**, creating a budget deficit of **UGX.4.4Tn**. Continued approval of supplementary budgets without a corresponding increase in revenue/financing, leads to increased funding gap that affects the earlier budget objectives and plans. For example, whereas the performance contracts with Accounting Officers are premised on availing the appropriated budgets during the	The PS/ST was advised to ensure that all supplementary expenditure approvals are supported with supplementary sources of financing to ensure that the earlier appropriated activities are implemented as planned.

No	Observation	Recommendation
	year, such contracts are not revised in situations of shortfalls in budgets. The detailed impact of the budget shortfall on the entity activities has been reported in the individual entity reports. The PS/ST stated that supplementary funding was issued against targeted borrowings and enhanced revenue mobilization measures that did not materialize. However, going forward, supplementary funding will be issued against confirmed funding sources of inflows to avoid unfunded activities and over commitments.	
1.4	**<u>Budgeting for Non-Tax Revenue</u>** Section 6 of the Budget Execution Circular for the FY 2021/22 provides that all work plans and Budgets for FY2021/22 are prepared and approved using the Program Budgeting System (PBS). All Budgets, irrespective of the source of financing (GoU, NTR/AIA, Donor or LG Revenue), will be migrated and loaded into the Integrated Financial Management System (IFMS) to facilitate Budget Implementation and reporting. According to the approved Budget estimates for the FY2021/22, it was projected that a total of **UGX.1.59Tn** would be collected as NTR. Review of Program Based Budgeting (PBB) tool used by the Government and IFMS records revealed that that NTR budgets for the respective MDAs were neither uploaded on PBS nor IFMS. The budgeting tool only had details regarding expenditure, and no revenue was included. I further noted that several Accounting Officers disowned the figures incorporated the NTR Estimates book, indicating that they had not been consulted in arriving at the estimates incorporated there in. As a result, I was unable to compare respective entity budget figures with the URA NTR collections that totaled to **UGX.2.42Tn.** Absence of proper revenue estimates for each entity undermines transparency, affects motivation of staff, and hampers performance assessment. Management explained that the PBS system has been enhanced and effective FY 2023/24, all Votes have budgeted NTR online and is uploaded into the IFMS. Going forward, the Accounting Officers are now able to budget for NTR on the PBS system.	The Accounting Officer is advised to ensure that all Ministries, Departments and Agencies budget for the Non-Tax Revenue and have the details provided in the IFMS and the PBS.

Emphasis of Matter

Without qualifying my opinion I would like to draw the readers' attention to the following matters which have been reflected in the Consolidated Financial Statements of the Government of the Republic of Uganda, or disclosed in the accompanying Notes;

2.2 UNSPENT BALANCES FROM THE PRIOR YEAR

As reflected in the Consolidated Fund Statement on page 30 of the financial statements, prior year unspent balances amounting to **UGX.29.41Bn** (2020/2021: UGX.26.05Bn) were applied as part of the monies to fund the budget for FY2021/2022. Given that such balances arise out of the GoU Appropriation that expires at the end of the year in line with the PFMA 2015, its application in the subsequent financial year would require that a supplementary appropriation is sought before utilising the said balances.

This omission in the sources of funds available to fund the budget leads to distortions in form of an understatement of the country's available resources for spending.

The PS/ST explained that indeed all GoU Appropriations expire at the end of the year in line with the PFMA 2015. However, it should be noted that GoU has been operating a deficit budget and therefore any residual unspent funds form part of the opening balances. All eligible requests for re-voting, that are submitted with proper justification, the unspent balances are provided as supplementary, for example for external funding, which is already provided through supplementary budgets since it necessitates adjustments to appropriation and work plans for the current year.

I advised PS/ST going forward, to consider explicitly seeking a supplementary appropriation for all such unspent balances.

2.3 GOVERNMENT LOANS (BORROWINGS) – UGX.77.97Tn

As disclosed in the statement of financial performance, the government Loans have increased from UGX.69.60Tn in 2021, to UGX.77.97Tn in 2022 constituting an increase of UGX.8.36Tn (12%). This position reflects an increase in borrowing that could make debt payment unsustainable for the country.

Management indicated that they intend to address the increasing public debt through implementation of the Public Investment Financing Strategy (PIFS) by aligning Government's priority programmes and restricting borrowing to critical projects.

2.4 PAYABLES – UGX.7.545Tn

As disclosed in the statement of financial performance, the domestic arrears have increased from UGX.4.65Tn in 2021, to UGX.7.55Tn in 2022 constituting a 62% increase. The amount represents 15% of the revised budget of Government of Uganda for the financial year 2021/22. This is an indication of the failure of the commitment control system and exposes government to litigation risks. The growth trend appears unsustainable and on the rise. This could also be as a result of approving supplementary budgets which amounted to UGX.6.42Tn during the year under review with no matching funding, other than utilising the already identified revenue sources, hence reallocating funding within the existing resource envelope and impacting MDAs across government.

The PS/ST explained that government is currently implementing a Domestic Arrears Strategy to clear significant amounts of the verified arrears. I advised Government to further consider undertaking measures that limit supplementary budgets with no matching grants, that end up impacting on already identified and appropriated revenue sources.

2.5 PENSION LIABILITIES - UGX.442.98Bn

As disclosed in the statement of public debt, Pension liabilities increased from **UGX.162.3Bn** in 2021 to **UGX.442.98Bn** in 2022, representing of an increase of **UGX.280.68Bn** (173%). I noted that the Ministry of Information, Communication and National Guidance had the most significant amount of **UGX.320Bn**, arising out of the former employees of the defunct Uganda Posts and Telecommunications Limited. The continued failure to settle the pension arrears impacts on the welfare of the pensioners.

I advised PS/ST to prioritise payment of pension arrears going forward.

2.6 CLASSIFIED EXPENDITURE – UGX.780Bn

As disclosed under Note 8, a total of UGX.780Bn relates to classified expenditure. In compliance with Section 24 of the Public Finance Management Act, 2015 (Classified Expenditure), this expenditure is audited separately and a separate audit report issued.

Other Matter

I consider it necessary to communicate the following matters other than those presented or disclosed in the financial statements;

2.7 PUBLIC DEBT

2.7.1 Portfolio Analysis

The reported total public debt as at 30th June, 2022 stood at **UGX.86.6Tn** (2020/2021: UGX.75.1Tn), of which Domestic Debt Stock was **UGX.38.1Tn** and the External Debt Stock was valued at **UGX.48.5Tn**. This is an increase of **UGX.11.5Tn**, equivalent to 12.5% when compared to the debt stock of **UGX.75.1Tn** reported as at 30th June 2021. Table below shows the details;

Table 5: Showing Public Debt for the last 5 Years

Financial year ended	Domestic debt (UGX Tn)	Foreign debt (UGX Tn)	Total (UGX Tn)	% change
June 2022	38.1	48.5	86.6	15.3%
June 2021	30.8	44.3	75.1	24.3%
June 2020	18.0	38.2	56.9	23.5%
June 2019	15.2	30.9	46.1	11.1%
June 2018	13.1	28.4	41.4	

Source: *Audited financial statements of Vote 130*

From the above, it was noted that there has been a consistent increase in the total debt as evidenced by an increase of 104% in the five years from 2017/18 of **UGX.41.4Tn,** to **UGX.86.6Tn** as at 30th June 2022. The net increase in the debt is due to increased borrowing from both the domestic and external sources, with domestic debt accounting for a higher increase.

I observed that Public debt is continuously on the rise, a fact that is attributed to persistent budget deficits (mismatch of Government revenue and expenditure), rollover of liquidity papers, Bond switches, private placements, new borrowings for various development projects and foreign exchange loss arising from the depreciation of Ugandan Shilling against stronger currencies. The graph below illustrates the trend of public debt stock by type over the past five years;

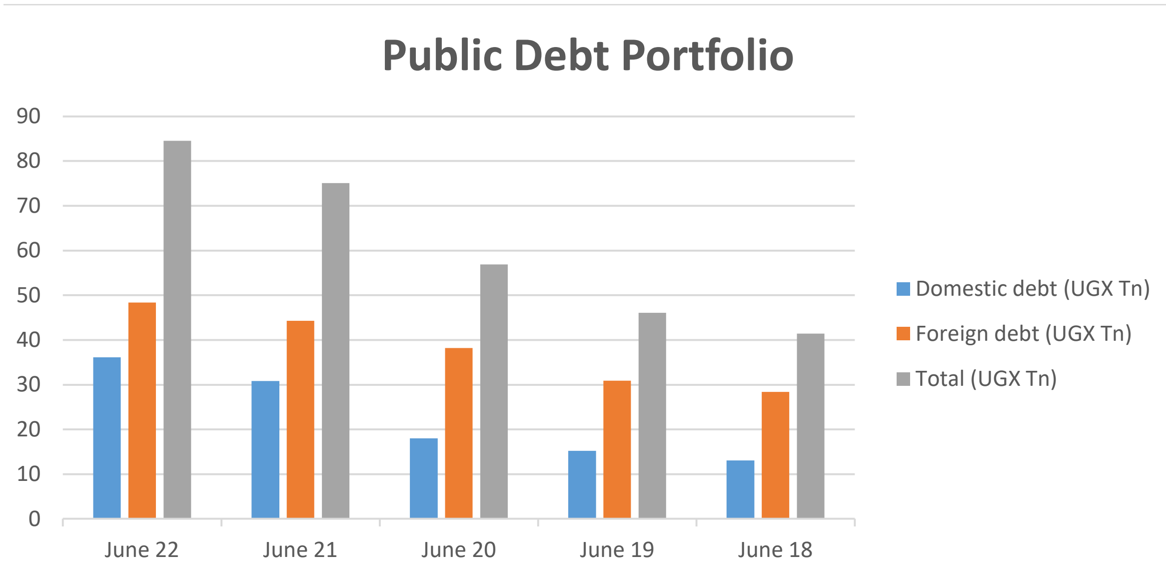


Figure 2: OAG Analysis: *Public Debt Portfolio*

Although Government has strengthened the budgeting process and reduced the number of unwarranted supplementary budget expenditure, this appears not to be in harmony with the continuing Government expenditure, raising concerns of debt sustainability.

Management explained that Government intends to address the concerns raised through the following ways;

i. Implementation of the Public Investment Financing Strategy (PIFS) by aligning appropriate financing to Government's priority programmes.

ii. Borrowing will be restricted for projects/expenditures that are critical to the economy.

iii. Instituting a more stringent process for prioritizing, vetting, rescheduling programmes and projects to be financed using borrowed resources in the next FY and medium term.

iv. The economy recovers from the effects of COVID-19. In order to create fiscal space and minimise payment of commitment charges, Government will continue to review projects funded by debt and cancel those that are not performing. Poor performing but strategic projects will be restructured and aligned to priorities with respective programmes.

v. We will slow down on the rate of debt accumulation by instituting a more stringent process for prioritizing, vetting, rescheduling projects to be financed using borrowed resources in the next FY.

I advised Government to devise a comprehensive strategy aligning revenue mobilisation and fiscal management.

2.7.2 Analysis of External Debt

Uganda's external debt as at 30th June 2022 is made up of Multilateral Creditors **(UGX.29.9Tn)**, Bilateral Creditors **(UGX.13.5Tn)** and Commercial Banks **(UGX.5Tn)**. Refer to the figure below;

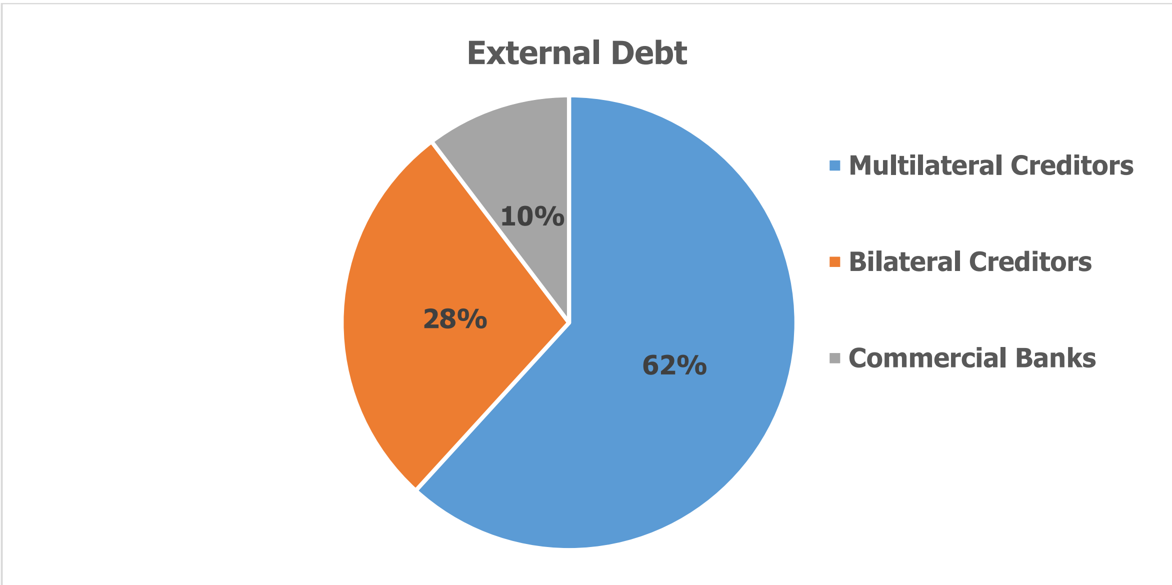


Figure 3: OAG Analysis: External Debt

Analysis of the trend of external debt over the last five years revealed a linear growth in the level of external debt over the years. There has been a consistent increase from **UGX.28.4Tn** in the Financial Year 2017/18 to **UGX.48.4Tn** in 2021/22, representing an overall growth of **70.6%** over the period. The details are given in Table and graph below;

Table 6: Showing growth in external debt

Financial year	AMOUNT (UGX Tn)	Increase (UGX Tn)	% Change
2021/22	48.4	4.4	10.1
2020/21	44.0	5.1	13.1
2019/20	38.9	8.0	25.9
2018/19	30.9	2.5	8.8
2017/18	28.4	6.2	

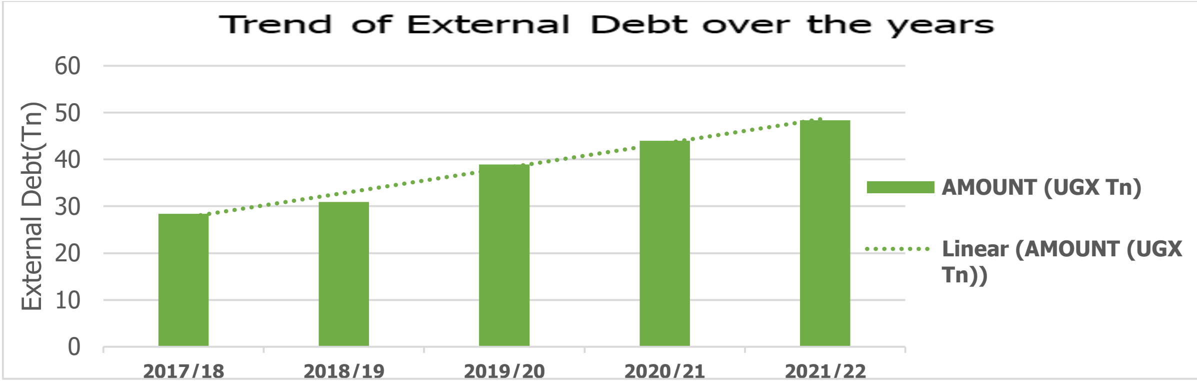


Figure 3: OAG External debt analysis

It was established that the major driver of the growth is the contraction of new debt mainly for budget support, which has put pressure on the economy and has led to further borrowing from the domestic market. However, there is a risk that this may not be sustainable in the short term.

The Accounting Officer stated that Government intends to borrow largely on favourable terms by first exhausting concessional financing options to finance government projects. Government will continue to implement Domestic Revenue Mobilization efforts which will help in reducing the fiscal deficit and relive government on expensive borrowings.

Government is advised to review the rate of contracting debt and also devise strategies to increase domestic revenue collections to enable servicing of the debt obligations.

2.7.3 Movement of Domestic Debt Stock

Domestic debt portfolio is composed of long term borrowings (Treasury Bonds and Government Bonds), short-term borrowings (Treasury Bills and Government overdraft/temporary advances), Court Awards, principal and Interest payment.

The country's domestic debt stock, which is mainly on Treasury Bonds and Treasury Bills, and un-securitised debt amounted to **UGX.38.15Tn** as of 30th June 2022 (2021: UGX.30.81Tn). Trends for the past four years of domestic debt portfolio are shown respectively in table below;

Table 7: Showing domestic debt stock for the past four years

FY	Domestic Debt Stock (face value)	Increase	
	UGX-Tn	UGX (Tn)	%
2021/22	38.1	7.3	23.7
2020/21	30.8	12.9	71.5
2019/20	18	2.5	16.0
2018/19	15.5	2.4	18.7
2017/18	13.1		

From the above table, it is evident that domestic debt has kept growing over the years at an average rate of more than 32.5%.

Further analysis has revealed a corresponding movement in the net domestic financing over the years. Table below shows the trends over the same period;

Table 8: Showing trends in net domestic financing

Details	FY 2017/18 (UGX-Tn)	FY 2018/19 (UGX-Tn)	FY 2019/20(UGX-Tn)	FY 2020/21 (UGX-Tn)	FY 2021/22 (UGX-Tn)
Issuances (Bills & Bonds)	6.4	7.4	8.5	13.7	13.0
Redemptions (Bills & Bonds)	4.6	5.2	5.9	7	8.4
NET Domestic Financing	1.8	2.2	2.6	6.7	4.6

From the above analysis, it can be deduced as follows;

a) All Government instruments that have reached maturity/redemption are financed through debt rollover (borrowing to pay existing debt) and this has created a high dependence on the market and thus increases refinancing risk. Under subscription was observed, due to highly priced bids that were rejected in a bid to reduce the cost of debt.

b) In the year under audit, a decrease of **31%** was registered in Net Domestic Financing (NDF) from **UGX.6.7Tn to UGX.4.6Tn.** However, it should be noted that the decrease in net domestic financing was as a result of under subscription of treasury instruments as the approved NDF for the FY was **UGX.5.5Tn**.

Continued reliance on Net Domestic Financing, signals Government's borrowing appetite, whereby the market players are inclined to demand increased rates well aware that Government is in dire need to finance the budget. In addition, the commercial banks will prefer lending to Government instead of the private sector thus affecting growth in the private sector.

Management explained that GoU has two options to handle redemptions. Firstly, it can opt for an outright settlement of these obligations and secondly, rollover. The first option is not feasible, as this will constrain the budget. Further to note, with the introduction of Primary Dealer Reforms in 2020, GoU no longer has a challenge of under subscriptions (since PDs are obligated to fully fund auctions).

The **UGX.6.7Tn** NDF in FY2020/21, was necessitated by the low tax revenue that was occasioned by the COVID-19 pandemic. After full re-opening of the economy, NDF for the subsequent FY was naturally reduced to **UGX.5.5Tn**, which was accordingly mobilized. GoU is implementing the DRMS which is envisaged to reduce on the fiscal deficit. Further to this, GoU is pursuing fiscal consolidation, evidenced by deliberate reduction in NDF for FY2022/23 and the medium term.

I advised Government to consider initiating real steps to reverse this trend and ensure fiscal budget discipline and promptly servicing a portion of such domestic obligations including interests.

2.7.4 The Cost to Government for using Private Placements - UGX.1.2Tn

Section 1.4 (C) of the Guidelines for selling Uganda Government Securities through Non-Calendar Auctions and Private Placement Mechanism 2019 provides that the use of non-calendar auctions and private placements shall be on a purely exceptional basis and as a last resort. This is intended to minimize the secondary bond market price distortions that may result from the off-calendar increased stock supply, and the potential subsequent impact on primary auctions and the cost of borrowing through increased rates.

I observed that UGX.510.8Tn was borrowed from the domestic market on the 29th June 2022 using a private placement. I noted that this domestic borrowing was outside the approved auction-calendar dates. I further noted that the use of private placements to raise funding attracted higher interest charges of UGX.1.2Tn due to absence of competition. Refer to Table below;

Table 9: Debt acquired on a non-calendar auction/ private placement

Instrument	Instrument ID	Maturity	Auction held	Amount Borrowed (UGX Bn)	% Interest to be Charged	Interest Per Annum (UGX Bn)	Total interest (UGX Bn)
Bond	UG12F0709234 10.000% 07-SEP-2023	2 Years	29/06/2022	142.2	15	21	42
Bond	UG12J0605277 16.000% 06-MAY-2027	5 Years	29/06/2022	31.9	15	4.8	23.9
Bond	UG12K0403325 16.375% 04-MAR-2032	10 Years	29/06/2022	29.3	16	4.7	46.9
Bond	UG12K0811352 16.250% 08-NOV-2035	15 Years	29/06/2022	16.2	16	2.6	39.6
Bond	UG12L0111405 17.500% 01-NOV-2040	20 Years	29/06/2022	291.1	19	53.9	1077.1
			Total	**510.8**		**86.9**	**1,229.50**

Source: *MoFPED front office desk*

Government borrowing through private placements and use of non-calendar auction days distorts the domestic markets leading to higher interest rates paid by government.

Management explained that Government required these funds as part of a structural benchmark requirement with IMF on partial reimbursements to BoU**.** It was not practically possible to have raised these funds from the domestic market through the auction calendar.

I advised PS/ST to ensure that domestic borrowing is restricted to only the approved Auction calendar days by Parliament to avoid such high interest rates.

2.7.5 High cost of Bond switches to Government

The Operational Framework for Bond Switch Auction 2019 provides that Bond conversion shall be done through a Bond Switch auction and shall be undertaken by Bank of Uganda (BoU) on instruction of the GoU to exchange a bond with another bond for purposes of restructuring the debt profile, smoothen interest payment and managing debt levels during periods of reduced government's financing needs.

I observed that among other challenges, the Treasury was facing cash flow constraints. The Treasury requested BoU to switch Bonds totalling to **UGX.0.9Tn** in two consecutive financial years (FY2020/21 and FY2021/22) which resulted into accumulation of accrued interest totalling to **UGX.1.184Tn** over a period of years. Refer to table below;

Table 10: Bond Switches UGX 0.9Bn

Instrument	Tenure	FY	Auction Date	Cost (UGX Bn)	Interest rate	Interest per annum (UGX Bn)	Total interest Accumulated (UGX Bn)
Bond	10 years	2020/21	21-Jan-21	28.6	16	4.6	45.7
Bond	10 years	2020/21	21-Jan-21	41.6	16	6.7	66.5
Bond	20 years	2020/21	21-Jan-21	67.8	17.5	11.9	237.4
Bond	5 years	2020/21	21-Jan-21	19.8	16.6	3.3	16.5
Bond	5 years	2020/21	21-Jan-21	110	16.6	18.3	91.4
Bond	2 years	2020/21	21-Jan-21	98.8	11	10.9	21.7
Bond	2 years	2020/21	21-Jan-21	125	11	13.8	27.5
Bond	15 years	2020/21	21-Jan-21	36	14.3	5.1	77
Bond	2 Years	2021/22	10-Feb-22	149.1	11	16.4	32.8
Bond	10 Years	2021/22	10-Feb-22	49.4	17	8.4	84
Bond	10 Years	2021/22	10-Feb-22	69.4	16	11.1	111.1
Bond	15 Years	2021/22	10-Feb-22	11.4	16	1.8	27.3
Bond	20 Years	2021/22	10-Feb-22	98.6	17.5	17.3	345.1
			Total	**905.5**		**129.4**	**1184.1**

Source: *MoFPED front office desk*

While the intent of bond switches is to postpone redemption of maturing debt, it creates incremental debt at new/prevailing interest rates which are not favourable to Government as it increases the Public debt. It was further noted that in the same two financial years, the Treasury rolled over debt to a tune **UGX.14.6Tn** in domestic debt.

Management stated that in the recent past, MoFPED has carried out two bond switches. In FY2020/21, a successful switch was conducted (favourable yields) with advantages such as: increased the average maturity of the debt portfolio and increased liquidity of benchmark securities (deepens financial market). In FY2021/22, again, GoU was obliged to honour high redemptions. Practically, they had three options;

i- to budget and retire this obligation (was feasible-GoU operated a deficit budget);

ii- let BoU pay on their behalf and let her obligation became part of the accumulated reimbursements to BoU. This would not make any difference, because the Central bank charges GoU, interest equivalent to the prevailing market rates;

iii- carry out a bond switch which, would not have come at good rates due to the prevailing high interest environment, but had the above advantages of a switch.

Management is advised to re-evaluate bond switching as a means of debt management and further develop policies that will widen the country's revenues and cash flows so as to reduce on reliance on debt.

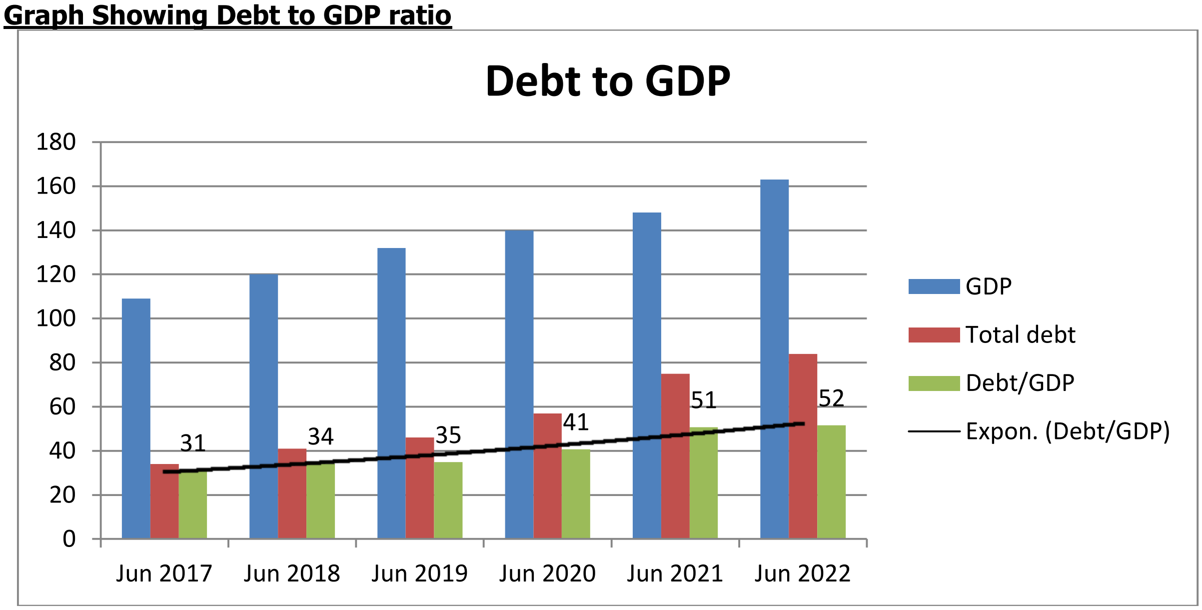
2.7.6 Debt to GDP Ratio

The Debt to GDP ratio is a measure that compares what a country owes (total debt) and what it produces (manufactures or a service provided). The ratio reliably indicates a country's ability to pay back its debt. A high debt-to-GDP ratio may make it more difficult for a Country to pay both internal and external debt and may lead creditors to seek higher interest rates to compensate for financing risk due to likely default or unnecessary debt extension.

Though the IMF has recommended 50% as the point of safety, many developed countries have gone up to 200%. However, according to the IMF, the developing countries are more prone to economic shocks and exchange rate risk, thus advising on a 50% threshold.

A re-computation of Uganda's Debt to GDP revealed a consistent linear growth over a period of five years as Debt to GDP grew by 21% from 31% to 52%. The graph below illustrates the movement;

Graph Showing Debt to GDP ratio



Source: *Uganda Bureau of Statistics*

From the above, it can be seen that though Uganda's GDP has been increasing over the years since FY2016/17, its debt position has also increased. The rate of increase of debt is higher than the rate of increment in the GDP levels, which creates a risk factor of accumulation of unsustainable debt.

The Country is now above the set bench mark by the World Bank for unsustainable Debt. It should be noted that the country is already facing the impact of the public debt which is evidenced by debt restructuring and high cost of borrowing offered by the lenders.

Management stated that Government is aware of the recent increase in debt levels, largely as a result of the COVID-19 pandemic. To maintain prudent and sustainable levels of public debt, Government is making efforts to reduce borrowing in the medium term, mostly by increasing tax revenues as well as re-purposing the budget to areas with large multiplier effects for economic growth. In addition, suffice to note, the debt to GDP ratios are projected to go slightly above the 50% policy threshold by the end of FY2021/22 and to peak at 53.1% in FY2022/23, before gradually reducing to below 50% by the end of FY2025/26.

The Accounting Officer should consider alternative ways of reducing dependence on debt while exploring avenues of enhancing revenue generation for the country and/or reducing/rationalising government expenditures.

2.7.7 Interest to Total Revenue Ratio

This benchmark shows the proportion of the domestic revenue that goes into servicing domestic interest costs. Since donor grants are inherently subject to uncertainty, the interest cost of domestic debt is considered in relation to the domestically-raised component of the budget only. The table below shows the assessment of the benchmark over the years;

Table 11: Showing interest to total revenue ratio

Financial year	Total domestic Revenue – UGX.Tn	Total Interest – UGX.Tn	% of Interest to revenue	Bench mark
2021/22	22.8	5.5	24.1	<12.5
2020/21	20.2	3.1	15.4	<12.5
2019/20	17.5	2.5	14.2	<12.5
2018/19	17.1	2.0	11.71	<12.5
2017/18	15.2	1.9	12.73	<12.5

It has been established that the interest to revenue benchmark has been overwhelmingly breached as evidenced above. It has been noted that **24.1%** of the revenue being collected is going into servicing interest payments. This is gradually reducing the funds available for funding other critical Government expenditures.

I advised the PS/ST to devise strategies of reducing the growth of interest expenditures at the same time increasing revenue mobilisation.

2.7.8 Use of Non-concessional loans for Budget support – UGX.4.5Tn

The Government Medium Term Debt Strategy has for the past five financial years restricted non concessional/commercial loans to financing infrastructure and self - financing projects through on-lent agreements that have the capacity of generating non tax revenue to enable debt repayment. This has been done in the spirit of ensuring long term debt sustainability.

However, I obtained and reviewed the external debt stock and noted that the Government obtained four (4) non-concessional loans amounting to **UGX.4.5Tn** for budget support which was not directed to infrastructure development. This therefore means that government obtained external debt at non-concessional terms to fund recurrent expenditure such as wage and administrative expenditure at high interest rates, for which repayments are to be incurred in the short term. Table below refers;

Table 12: Showing non-concessional loans for budget support

Loan Id	Purpose	Date Signed	Last Payment	Debt Type	Interest Rate	Interest Rate Type	Outstanding Including Arrears (UGX Tn) 30.06.2022
20910000	Prog. Support	02.06.2020	02.06.2027	Commercial Banks	4.47	Euribor	1.2
20909000	Prog. Support	24.03.2020	25.03.2027	Commercial Banks	4.45	Euribor	1.1
20931000	Prog. Support	13.09.2021	13.09.2031	Commercial Banks	5.5	Euribor	0.8
20931000	Prog. Support	13.09.2021	13.09.2031	Commercial Banks	5.72	Libor 6 Months Deposit	0.6
20923000	Prog. Support	08.06.2021	11.06.2028	Commercial Banks	4.75	Euribor	0.8
						Total	**4.5**

Source: *DMFAS/MoFPED*

In the past, budget support has been financed by grants, domestic debt (i.e. T-bills and T-Bonds), concessional loans with very generous terms and internally generated revenue. Non-concessional debt financing will increase financial leverage and financial risk. It will reduce the government's liquidity, given the fact that commercial loans do not give longer grace periods of debt repayment as compared to concessional loans. Commercial bank debt often has higher interest rates and contracting fees which is never a requirement for concessional loans. The country further runs a risk of losing its national key assets in the event of default.

Management explained that concessional financing is limited and Government has been forced to borrow from semi-concessional institutions to meet its liquidity obligations.

Management is advised to consider financing Budget support with loans that have concessional terms, to avoid high interest payments and very short grace periods.

2.7.9 Continued high Commitment Fees

Commitment fees are paid for debt that has been contracted but not yet disbursed. I performed a trend analysis of commitment fees over the past five years and noted that a total of UGX.359.5Bn was paid as commitment fees. There was a slight decline by 2% between the FY2020/21 and FY21/22, from UGX.79.1Bn to UGX.77.5Bn. The table below refers;

Table 13: Showing commitment fees

Financial year	Commitment fees Paid (UGX Bn)	Percentage charge
2021/22	77.5	-2%
2020/21	79.1	1%
2019/20	78.6	-10%
2018/19	87.8	140%
2017/18	36.5	
Total	359.5	

OAG Analysis

However, **UGX.31.6Bn** of commitment fee payments was a result of a loan obtained for budget support in the year under review. Relatedly I noted that at the end of the financial year 2021/22, undisbursed loans stood at **UGX.15.6Tn**. Government's failure to draw down and low absorption of contracted government debt continue to attract high commitment fees and affect service delivery.

Management explained that the Ministry is aware of the problem of payment of Commitment fees due to delays in signing of Agreements when Sectors and implementers of projects are not ready. Going forward, the Ministry will only sign financing Agreements when sectors are ready to implement the projects to avoid payment of commitment fees. In addition, emphasis is being made on ensuring that feasibility studies are conducted before projects are submitted to parliament.

I advised Government to identify and resolve any bottlenecks hindering the smooth implementation of projects/programmes and activities so as to increase its loan/debt absorption rates.

2.8 CANCELLATION OF THE LOAN FOR CONSTRUCTION OF MUZIZI HYDROPOWER PLANT

In the year 2016, the GoU signed financing agreements with the ADF and KFW to fund the construction of a hydropower plant in Muzizi the project was for the construction of a 45 MW Muzizi hydropower plant in western Uganda with the aim of improving the electricity supply to the growing economy and the households.

In my report of the FY 19/20, I pointed out the challenges of under absorption of funds for this project and in the report for FY 20/21, I further emphasized the losses associated with the failure to absorb the said loan.

In a letter dated 22nd February 2022, the Minister sought to cancel the loan agreement entered into with KFW, to which KFW acknowledged and agreed to the cancellation of the loan. The table shows the details of the loans;

Table 14: Showing cancelled loans

SN	Loan particulars	Loan Amount (Euro Mn)	Date of signing
1	Construction of Muzizi Hydropower Plant	40	25 November 2016
2	Construction of Muzizi Hydropower Plant	45	09 December 2016
3	KfW Grant Finance (Euros)	5.36	22 September 2015
	TOTAL	**90.36**	

I noted that by the time of cancellation of the loan, no disbursement had been made. However, **UGX.3.97Bn** had been incurred as commitment fees to secure the loan. Another **UGX.4.66Bn** (1.2Mn Euros) is payable by government as cancelation fees. This is a loss to GoU considering that the funds were paid for no particular gain.

Failure to implement the project meant that the intended economic and social benefits were not achieved.

I advised the PS/ST to ensure that projects are subjected to a comprehensive appraisal by the development committee before committing government.

2.9 REVIEW OF JINJA EXPRESS HIGHWAY PROJECT

Kampala-Jinja Expressway Project Phase 1 agreement was entered into between the GOU and the African Development Bank for a total amount of **USD.229.5Mn** (equivalent to **UGX.0.863Tn**). The parties agreed to 0.25% (beginning 60 days after the date of the loan agreement) commitment fee and front end fees of 0.25% (not later than 60 days after the date of entry of the agreement.

The loan was secured to finance Phase 1 of the construction of 77Km Kampala- Jinja expressway project. Development of the first 35Kms from Kampala to Namagunga and the Kampala Southern Bypass is supposed to be completed by 2023.

The following Observations were noted;

- In spite of the availability of the funds, the project had not commenced.
- In the FY 20/21, no funds were drawn from this facility indicating the slowdown of work on the project. It was however noted that a total of **USD.0.8Mn (UGX.3Bn)** was paid to the lender as commission fees for the undisbursed funds as indicated in the table below;

Table 15: Showing commission fees paid

SN	Description	Amount (USD)	Exchange Rate`	Amount (UGX.Bn)
1	Front End Fee –Kampala Jinja Expressway Project	573,675	3,570.57	2.1
2	…003201 Kampala – Jinja Expressway 1	251,982	3,550.43	0.9
	TOTAL	**825,657**		**3**

This expenditure constitutes a nugatory expense considering that the funds are paid for no particular gain. The delays in project implementation impact on the economic and social development of the country. Besides the associated commitment fees are wasteful.

Management explained that the project execution has delayed because of protracted procurement processes by UNRA. This matter has been discussed with UNRA during portfolio reviews for ADB funded projects. In future, such scenarios will be addressed through advance procurement processes to ensure that projects are implemented as planned as soon as Financing Agreements are signed.

Management is advised to ensure the absorption of all loans to avoid exposing the GOU to losses in form of commission fees for undisbursed funds.

2.10 COMMERCIAL CONTRACT FOR THE REFURBISHMENT OF THE METER GAUGE RAILWAY LINE KAMPALA - MALABA (250KM)

The GoU entered into a facility agreement with the Italian Government for a financial facility of **Euro.16.9Mn (equivalent to UGX.67Bn**) as a commercial contract for the refurbishment of the Meter Gauge Railway line Kampala - Malaba (250KM). The contract provided that the drawdown deadline for the facility was to be Sixty months from coming into effect of the agreement with option to extend to 30 days before expiry of the date. The parties agreed for an interest rate of 3.7% to be charged on the disbursed amount per annum.

I noted that a total of **UGX.67Bn** had been drawn by GoU from this facility since it came into effect.

A review of the signed agreement against the Minutes of the National Economy Committee of parliament when approving the loan request by the MoFPED revealed that although the parliament authorized interest to be charged on the loan of 3.6% of the disbursed amount, the final loan agreement however indicated interest of 3.7%. The loan agreement condition on interest therefore contradicted what was approved by Parliament.

The Accounting Officer stated that the Financing for the Meter Gauge Railway Line project is blended financing with tranche2 of **Euro 16.9Mn** being semi-concessional with a Maturity Period of 20 years, Grace period of 5 years, Interest of 2% p.a, Management Fees of 0.25% and Commitment Fees of 0.25% while Tranche 1 amounting to **Euro 9.1Mn** is highly concessional with a Maturity Period of 50 years, Grace period of 15 years, interest of 0.055%, Management Fees of 0.1% and Commitment Fees of 0.1% thus the financing was adequately negotiated as per the prevailing time. This is being handled in all current agreements.

I advised Government to be more cautious in the acquisition of loans to ensure the terms of the loan agreement are consistent with parliamentary approvals.

2.11 CONCESSIONAL LOAN AGREEMENT TO FINANCE CAPACITY BUILDING FOR THE RAILWAYS SYSTEM IN UGANDA

In a resolution of the Parliamentary Committee dated May 2021, the National Economic Committee (NEC) of Parliament approved the following facilities for the Kampala Meter Gauge railway project as shown in the table below;

Table 16: Showing approvals by NEC

Lender	Amount (UA) Mn	Amount (Euro.Mn)
African Development Fund	179.6	216.7
African Development Bank	69.9	84.4
Corporate Internationalization Fund of **Spain**		26
TOTAL	249.5	327.1

Subsequently, the GoU entered into a facility agreement with the Spanish Government for a financial facility of **Euro 9,120,100** (equivalent to **UGX.36Bn**) as a concessional facility to finance the strategic consultant services for capacity building for the railways systems in Uganda. It was agreed by the parties that the drawdown deadline for the facility would be Sixty months from coming into effect of the agreement with an option to extend to 30 days before expiry of the date. The parties agreed on a fixed annual interest rate of 0.055% payable at 6 month intervals on all disbursed funds. The GOU would also be charged a Commission of 0.1% per year applied to all the amounts that have not been withdrawn during drawdown period, and would commence six (6) months after the agreement comes into force.

It was further agreed that a flat management commission of 0.1% shall be applied to the total amount of the credit of **Euro.16.8Mn** payable within six (6) months from date of coming into force of the agreement. Interest on late payments shall be 2% per annum.

I noted that in a letter dated 20th September 2021, Spain communicated that all conditions of the agreement had been met and as such, the loan became effective. In effect, the loan commenced attracting commission for non-withdrawal. I noted that no drawing had been made by the time of the audit in November 2022. There was also no evidence that any payments had been made in form of management commission yet. I further noted that in light of the fact that the loan became effective on 20th September 2021, the GOU had an obligation to utilize the funds or continue to pay commission fees for the loan and risk a delay or failure of the project.

The delay in withdrawing the said funds by the GOU continues to accrue unnecessary charges of commissions to government. It also has the implication of slowing the progress of the projects.

Management explained that the financing Agreements for the ADF and ADB are now due for signature following the ADB Board Approval on 8th December 2022.

I advised Government to expedite the outstanding processes to enable utilization of the loan and mitigate further escalation of unnecessary charges in form of commissions.

2.12 FINANCING AGREEMENT FOR SUPPLY OF SOLAR PUMPING SYSTEMS IN THE MINISTRY OF WATER AND ENVIRONMENT (EURO.95.8Mn equivalent to UGX.381Bn)

A financing agreement between Government of Uganda (GoU) and the Export Credits Guarantee Department of UK (UKEF) was signed on 12th February 2021 to support the project. The estimated project cost of the project was Euro.100 million. The total loan amount is **Euro 95.8Mn** (Equivalent to **UGX.381Bn**) with the GOU counterpart funding the project with 15% of the projected cost.

A commercial Contract, for Design, Supply and Installation of Solar Powered Water Supply and Irrigation Systems was signed between GoU and a contractor on 3rd July 2020. The contractor commenced works a year later, on 12th July 2021 after receipt of the advance payment (5% of the GoU counterpart funding). The project is expected to end on 30th June 2025.

By end of June 2022, the contractor had received **Euros.14Mn** (14%) of the Contract Sum, while the Consultant had received 27% of the contract Sum **(UGX.11.6Bn).** The second tranche for counterpart financing supposed to be disbursed in February was postponed to October 2022 due to resource constraints. However, in the same period the third tranche should be released.

Contradiction of the Agreement with the Constitution of the Republic of Uganda 1995 (as amended)

Section 5.8 (a) of the financing agreement, provided that the Agent's Bank Account would constitute a Public Fund for the purposes of Article 159(3) of the Constitution of Uganda 1995 (as amended).

Article 159(3)(b) of the Constitution of the Republic of Uganda 1995 (as amended) provides that an Act of Parliament made under clause (2) of this article shall provide that any monies received in respect of that loan shall be paid into the Consolidated Fund and form part of that fund or into some other public fund which is existing or is created for the purpose of the loan. Section 30(1) of the Public Finance Management Act 2015, provides that all revenues or other money raised or received for the purpose of the Government, shall be paid into and shall form part of the Consolidated Fund.

The provision of the financing agreement in allowing an account not resident in Uganda to be construed as a public fund for purposes of receipt of government loan proceeds violates the Constitution and the PFMA. It also seeks to amend the provisions of the said laws.

Management explained that as part of the standard negotiation procedures for all Agreements, the Attorney General is involved from the beginning to the end until Clearance of the Financing Agreement is done. The Ministry has communicated to the Attorney General to advise on whether this constitutes a Public Fund within the provisions of Article 159(3) of the 1995 Constitution and Section 30(1) of the PFMA 2015.

I advised Management to ensure that all provisions of the different financing agreements conform to the existing laws of the country.

2.13 REHABILITATION OF THE TORORO-GULU RAILWAY LINE

The European Union and the Government of Uganda are supporting the development initiative for Northern Uganda through the rehabilitation of Tororo - Gulu railway line that commenced in March 2020 and is expected to be completed on the second half of 2023. In the Grant agreement signed on the 16th December 2019 between the GOU and the EU, it was resolved that the total cost of the project would be **Euros.34.6Mn (**GoU **Euros.13.1Mn** and EU **Euros.21.5Mn**) respectively.

I reviewed the contract implementation and noted the following**;**

- Contrary to article 65.1 of the grant agreement, GOU defaulted on their contribution to payment of the contractor. This resulted into termination of the contract by the contractor. By the time of termination, **Euros.3.1Mn** was due to the contractor. As at 30th August 2022, only 15.47% works had been completed. Article 65.3 states that in the event of such termination, the contracting authority shall pay the contractor for any loss or damage the contractor may have suffered. The maximum amount shall be 10% of the contract price.
- In a letter dated 24th June 2022 and referenced UG/T-G-R/SOGETF/FIN/06-22/052, the Contractor, informed GOU of their notice of termination of the contract. This followed the contractor's notice of suspension of works due to delayed payment. The contractor indicates that by the time of contract termination, the outstanding un-paid amount was totalling to **Euros.0.7Mn** (Equivalent to **UGX.2.5Bn**) in respect to the government portion. See details in table below**;**

Table 17: Details of Certificates paid and unpaid obligations by GOU (amounts in Euros)

IPC No.	Submission Period	Invoice Amount	Invoice proportion		Amount Paid	Due date	Payment status
1	Feb.20 - Sep.20	0.4	EU	0.1	0.1	24-Dec 20	Paid
			GoU	0.3	0.3		Paid
2	Oct.20 – Feb.21	1.1	EU	0.3	0.3	12-Jul 21	Paid
			Gou	0.8	0.8		Paid 2nd Dec 2021
3	Mar.21 - Apr.21	0.4	EU	0.1	0.1	23-Sep 21	paid
			GoU	0.3	0.2		Paid 2nd Dec 2021
4	May.21 – Aug.21	0.9	EU	0.3	0.3	Feb 22	Paid:28-Jan22
			GoU	0.6	0.5	May 22	GOU overdue 0.1
5	Sept.21 - Feb.22	0.7	EU	0.2	0.2	EU paid 8-Jun 22	GOU portion overdue
			Gou	0.5	0		
	Total-Un paid			**3.5**	**2.8**		

As a result of the termination, the Government of Uganda will incur termination damages up to 10% (**Euros.2.15Mn**). According to the Monthly progress report No. 34 of August 2022, Termination claim 3 had not yet been submitted by the contractor for final determination and estimation of amounts due. Review of the Treasury Operations financial statements indicated that no contingent liability had been provided for/disclosed in respect to the out-standing claim.

- In addition, I noted that after termination of the contract by the contractor, the contractor never handed over the demolished materials that were supposed to be used for reconstruction of the railway line, besides, evidence from supervising consultant indicated that 136,416 railway items equivalent to **Euro 3.08 Mn** had been stolen. Similarly, although the Contracting Authority had made 30% advance payment to the contractor amounting to **Euro 11.8 Mn** by the time of termination of the contract only **Euro 2.95Mn** had been recovered with the balance **Euro 8.85Mn** not yet recovered.

Delayed reconciliation with the contractor may lead to loss of public resources.

The Accounting Officer explained that this is an issue that is being handled following procedures of closure of Contract at Termination. The Final Account shall detail what is payable to the Contractor at the time of termination less what the Contractor owes the Client including losses of Inventory as determined by the inspections mentioned above.

I advised the Accounting Officer to ensure a comprehensive verification process is carried out so that all outstanding obligations by the contractor are discharged before any payments are made.

I also advised the Accounting Officer to also seek legal advice from Attorney General on the course of action to be taken.

2.14 PLANNING FOR CAPITALISATION OF INVESTMENTS IN FINANCIAL INSTITUTIONS

In the Financial Institutions (revision of minimum capital Requirements) Instrument, 2022, it was provided that for a person to transact in the financial institution business in the capacity of a bank, they should have a minimum paid-up capital of not less than six million currency points (equivalent to **UGX.120Bn**) by December 2022 invested initially in such liquid assets in Uganda as the central bank may approve.

The instrument further provides that a person proposing to transact a financial institution business in the capacity of a bank shall have a minimum paid-up capital of not less than seven million five hundred thousand currency points (equivalent to **UGX.150Bn)** by 30th June 2024 invested initially in such liquid assets in Uganda as the central bank may approve.

I noted that the GoU has interests in four financial institutions as listed in table below;

Table 18: Capitalization requirements

SN	Financial Institution	Reported paid-up capital (UGX Bn)	Requirement 31 December 2022 (UGX Bn)	Requirement 30 June 2024 (UGX Bn)
1	Housing Finance Bank Limited	122.	-2	28
2	Tropical Bank Limited	88.2	31.8	61.8
3	Post Bank Limited	98.	22	52
	Total		**51.8**	**141.8**

I noted that two of the financial institutions require additional funding of capital totaling **UGX.51.8Bn** by the year ending 31st December 2022 as indicated in table above. There is therefore a need of additional funding by GoU especially in the case of financial situations in which GoU has majority shareholding. In the case of Post Bank limited, there would be a need for an additional investment of **UGX.22Bn** to be compliant to operate as a bank as of 31st December 2022. In the case of M/S Tropical Bank Limited, the GoU will have to liaise with its other shareholder to secure a total of **UGX.31.8Bn** to be compliant by 31st December 2022.

In addition, GoU would have to ensure that in the next financial year, it plans for capital injection in all the three banks of a total of **UGX.141.8Bn** to ensure that the banks are compliant as of 30th June 2024.

Failure to plan for the capital requirements for the different financial institutions may result in the banks not being compliant and therefore not authorized to operate as banks.

The Accounting Officer stated that they would budget for it accordingly.
Management is advised to liaise with the different stake holders and plan for and ensure the availability of funds for the capitalization of the different financial institutions.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities, a statement from the Hon. Minister of Finance, Planning and Economic Development, a statement from the Secretary to the Treasury, a statement from the Accountant

General, and other supplementary information. The other information does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Management Responsibilities for the Financial Statements

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015 (as amended), the Accounting Officers are accountable to Parliament for the funds and resources of the Government of Uganda.
The Accountant General is appointed as the Accounting Officer and Receiver of Revenue for the Consolidated Fund. The Accountant General is therefore responsible for the preparation of financial statements in accordance with the requirements of the Public Finance Management Act 2015, and the Financial Reporting Guide 2018, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Accountant General is responsible for assessing the Government's ability to continue delivering its mandate, disclosing, as applicable, matters related to affecting the delivery of the mandate of the Government of Uganda, and using the Financial Reporting Guide 2018 unless the Accountant General has a realistic alternative to the contrary.

The Accountant General is responsible for overseeing the Government's financial reporting process.

Auditor's Responsibilities for the audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements of government as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the government's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the government's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the government to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 19(1) of the National Audit Act (NAA), 2008, I report to you, based on my work described on the audit of the GoU Consolidated Financial Statements that; except for the matters raised in the compliance with legislation section below, and whose effect has been considered in forming my opinion on the GoU consolidated financial statements, the activities, financial transactions and information reflected in the consolidated financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

In accordance with Section 19 of the NAA 2008, I have a responsibility to report material findings on the compliance of Government with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

The material findings in respect of the compliance criteria for the applicable subject matters are as follows;

2.15 MANAGEMENT OF INFORMATION TECHNOLOGY (IT) INVESTMENTS IN GOVERNMENT

The Government of Uganda (GoU) is making large investments in Information Technology (IT) systems because of the tremendous benefits that IT can bring to its operations and services. One of the key programmes of NDPIII 2020/21-2024/25 is *Digital Transformation*, in which Government of Uganda aims to increase Information, Communication Technology (ICT) penetration and use of digital services for enhancing social and economic development.

As a result of national prioritization of ICT, I undertook a thematic audit covering three financial years' expenditure (2019/20 to 2021/22) to scrutinise the management of IT Investments across Government. The overall objective was to assess whether the IT investments in Government are strategically aligned, managed appropriately and focused on achieving the NDP III objective. The procedures undertaken covered: planning and budgeting; procurement, utilization, maintenance and disposal of IT systems; governance, and financial reporting.

I reviewed a sample of 68 MDAs with IT budgets of **UGX.968Bn**, for the three years in respect of acquisition and implementation of IT systems and equipment of which **UGX.894Bn** was warranted, as summarised in the table 19 below;

Table 19: Showing budget allocations for IT Systems and Equipment

Financial Year	Budget (UGX Bn)	Warrants/Release (UGX Bn)	Variance (UGX Bn)
2021/2022	331.754	312.233	19.521
2020/2021	357.098	331.691	25.407
2019/2020	279.017	249.989	29.028
	967.869	**893.913**	**73.956**

A review of ICT activities implemented revealed the following;

Table 20: Showing findings from review of Implementation of IT Activities

No	Observation	Recommendation
1.0	**Procurement/Development and Use of Software/Licenses (IT Systems) and Equipment** The ICT Systems Development Lifecycle (SDLC) requires a systematic approach which includes; initiation, planning and execution. In addition, I made my assessment basing on PS/ST and NITA-U guidance on ICT developments which aim to promote rationalisation and avoid further development of isolated IT systems in MDAs and LGs.	I advised the PS/ST to liaise with the responsible stakeholders to enhance controls and improve compliance with the Policies and

No	Observation	Recommendation
	During the audit of the sampled MDAs, I observed the following; • 81% (95 out of 118) of IT systems/equipment procured by 42 MDAs lacked clearance from NITA-U. • 52 IT systems/equipment acquired by 15 MDAs were not optimally utilized as envisaged. • 24 Systems acquired at a cost above UGX.200Mn by 9 MDAs were not approved by Solicitor General as required by law. • I reviewed inception reports for sampled MDAs and noted that 44 IT projects with a total cost of UGX.34.8Bn, were not implemented within the contractual timelines. • 38 IT Systems costing UGX.55Bn implemented in 15 MDAs did not meet the user requirements and the users not trained on the usage of the systems. • I noted that 29 IT systems acquired by 13 MDAs were not owned by the MDAs, as there was no formal handover of the systems and/ or source codes. • 37 systems at 14 MDAs that hold data and information that is required and/or used by various MDAs, were found not integrated. Non-compliance may lead to duplication of acquisition, procurement of non-compatible solutions and equipment; and general deviation from Government's efforts to rationalize resources for better service delivery.	Guidelines, prioritise systems maintenance and upgrades to preserve the integrity and availability of data and systems, and to this effect, formal procedures should be put in place to guide the process.
1.1	**Disposal and Decommissioning of ICT Assets** Paragraph 15.11.1 of the TIs, 2017, PPDA Act, 2003 (as amended) and PPDA Regulations, 2014 together with the PFMA 2015, require MDAs and LGs to efficiently and transparently dispose assets as recommended. However, I noted that most MDAs are not disposing off IT assets as per the recommendations of the respective Boards of Survey. Delayed disposal of IT assets leads to a further diminution in value and loss to the government. In addition, a lack of appropriate policies may lead to the loss and misuse of critical data. Besides, hazardous materials from ICT equipment may be harmful to the environment.	I advised the Accounting Officers to develop appropriate policies, strategies and procedures to ensure data availability and integrity preservation in the event that some IT assets are decommissioned. In addition, the Board of Survey recommendations should be adhered to.
1.2	**ICT Governance** IT governance entails leadership, structures, and processes that enable an organization to make decisions to ensure that its IT	I advised the Accounting Officers to

No	Observation	Recommendation
	sustains and extends its strategies and objectives. However, a review of the ICT governance structures of the sampled MDAs revealed the following; **i.** 40 MDAs did not have specific structures that steer and oversee ICT implementation. **ii.** 12 MDAs did not have an approved IT staff structure. **iii.** Out of 1200 approved ICT staff positions across 43 MDAs, 689 (57.4%) were filled, leaving 511 (42.6%) positions vacant. **iv.** 40 MDAs did not have an approved IT risk management framework/policy, while 39 did not have an IT risk register in place. **v.** There was no business continuity plan in 37 MDAs contrary to Section 4.6 of the National Information Security Policy 2014. Absence of ICT governance structures hampers formulation of appropriate ICT policies, strategies and real time upgrade of ICT interventions. In addition, it may lead to misalignment of IT investments with the overall entity strategic objectives.	institute governance policies and structures to effectively manage ICT investments in consultation with other stakeholders. I also advised the Accounting Officers to ensure that the IT staff structure is fully filled. In addition, a fully-fledged business continuity plan should be developed.
1.3	**Manual/Off-System Preparation of Financial Statements** The MDAs acquired IT Systems to improve accountability and reporting, however, I noted that 13 MDAs were preparing financial statements off their financial reporting systems. As a result, the financial statements are prone to errors due to human intervention and manipulation.	I advised the Accounting Officers to institute mechanisms to enforce usage of the systems in preparation of financial statements.

1.4. Registration and certification of IT professionals and IT Institutions without enabling regulation

Section 5(i) NITA-U Act 2009, provides for the functions of the Authority to include; regulation of the information technology in Uganda in order to ensure its effective promotion and development. In addition, the Authority is required to act as an authentication centre for information technology training in Uganda in conjunction with the Ministry responsible for Education. However, I noted the following;

- The Authority is currently registering professionals and the training institutions without prescribed regulations and standards. Over 62 applicants for individual Service Provider and IT institutions applications were received since 2017; 13 of the applicants were certified and only 2 Individual Service Providers have updated certificates while the 11 are expired.

- The Authority has service provider regulations but they lacked timelines for the applicants to get certified. There is a risk that the potential clients to the Authority continue to operate even beyond their valid period. From a sample examined, I observed that seven (7) companies were providing services to MDAs without certification by NITA-U.

Under the circumstances, the registration and certification without enabling regulations is irregular.

The NITA-U Accounting Officer explained that the Ministry of Justice and Constitutional Affairs advised that a regulation for IT Professionals would not suffice in governing and/or regulating the IT Profession. They recommended the development of an ICT Professionals Bill which will upon approval, become an Act that guides the regulation and development of the IT Profession just like the other professions (Lawyers, Engineers, Accountants) etc. The development of the IT Professionals Bill is being spearheaded by the Ministry of ICT and National Guidance.

I advised the Accounting Officer to strengthen and align NITA-U in the delivery of its mandate by developing and implementing all the required regulations, laws and standards.

2.16 MANAGEMENT OF PUBLIC LAND

BACKGROUND

Public land management is the process by which public land is put to good effect. It focuses on establishing and sustaining an optimum balance of use, conservation and development of resources in harmony with the values and needs of society.

Vision 2040 prioritizes Land as a crucial resource for provision of public utilities and calls for sustainable land use and management, as one of the fundamentals to be strengthened in order to harness the country's abundant opportunities. Whereas Government owns vast land comprising numerous properties used by government agencies to perform their functions in the delivery of services to Citizens, many government entities have had challenges in management of public land. These include; inadequate record keeping, loss of entity control due to encroachment and encumbrances, lack of land titles, uncoordinated and unstandardized approach to acquisition of land for public use, among others.

Subsequent to these challenges and others I have reported upon over time, I undertook a compliance study in 57 selected Ministries, Departments and Agencies (MDAs) and Local Governments (LGs), over a period of four years, to assess whether Government had efficiently and effectively managed public land for better service delivery to the Citizens, and in accordance with the existing Iegal and reporting frameworks. The following were my summary findings and recommendations;

2.16.1 Strategic Planning for Land Acquisition and Compensations

Nineteen (19) entities that acquired land out of the 57 sampled entities in the period under review indicated that, only nine (9) entities (47%) included lands acquisitions in their strategic plans, while ten (10) entities (53%) did not. In addition, four (04) entities did not specify the sizes/cost of land to be acquired. This was mainly attributed to laxity by management not to provide complete recording of land size and approximate land cost in the plans.

Failure to include such details leads to incomplete plans and also stifles proper budgeting and assessment of performance.

I advised the Accounting Officers to ensure that the size, cost and purpose for proposed land acquisitions are included in the respective strategic plans of entities to enable attainment of NDP III objectives and guide effective preparation of annual entity budgets.

2.16.2 Budgeting, funding, and absorption of funds, for land acquisition

Fifteen (15) entities included land acquisition in their annual budgets for the period under review, while four (04) entities acquired land without budgets. The fifteen (15) entities budgeted for acquisition of 17,831 hectares of land at a cost of UGX.483.6Bn; the entities were availed UGX.447.5Bn (93%), and acquired 25,786 hectares at a total cost of UGX.435.3Bn (including a mischarge of UGX.1.74Bn which was not budgeted for land acquisition) leaving a sum of UGX.14.Bn (3% of availed funds) un-utilised.

However, Ministry of Defence which acquired 7,562.07 hectares at a cost of UGX.84.64Bn did not indicate the land size in its budgets. I further noted that four (4) entities acquired 5.06 hectares of land at a total of UGX.20.47Bn without budgeting (both size and amount).

Seven (7) entities received inadequate funding, having budgeted for UGX.333.613Bn and received UGX.297.531Bn (89%)) for land acquisition in the period under review. I further noted that Wakiso and Oyam DLGs diverted a sum of UGX.0.354Bn from funds for land acquisition in the period under review.

I advised the Accounting Officers to;

- Liaise with PS/ST to ensure that funds appropriated for acquisition of land are availed.
- Ensure that availed funds for land acquisition are utilised for the intended purpose.

2.16.3 Compliance of Land Acquisition with the relevant Laws

I noted that out of the nineteen (19) entities that acquired land in the period under review, eight (8) entities acquired a total of 3,937.336 hectares at a cost of UGX.79.77Bn directly without competitive participation. The procurement methods used by six (6) entities in the acquisition of 1,666.016 hectares costing UGX.62.83Bn were not approved by their Contracts Committees. I further noted that two (2) entities commenced acquisition of 319.6 hectares of land costing UGX.6.72Bn without confirmation availability of funding. In addition, seven (7) entities acquired 15,760.82 hectares with a value above the UGX200Mn threshold each, at a total cost of UGX.64.76Bn without clearance from the Attorney General.

I advised the Government to ensure that appropriate procurement methods are adhered to in regards to land acquisitions. For MDAs with peculiar requirements, the Accounting Officers should always endeavor to ratify the procurements with the contracts committee. In addition, PPDA should provide additional guidelines to address the unique needs for land acquisition by MALGs.

2.16.4 Involvement of Uganda Land Commission

I noted that out of the nineteen (19) entities that acquired land in the period under review, five (5) entities acquired 1,669.84 hectares at a cost of UGX.45.9Bn prior to notifying the Uganda Land Commission to enable effective public land management, including advising on availability of other options. I also observed that there was no coordination by the various government entities with ULC in regard to land acquisition.

I advised Government entities to coordinate with ULC when acquiring Public land to ensure that before acquisition, all available options through Uganda Land Commission are exhausted.

2.16.5 Valuation by the Chief Government Valuer

Out of the nineteen (19) entities that acquired land in the period under review, two (2) entities procured 1.96 hectares at a cost of UGX.1.6Bn without obtaining Chief Government Valuer (CGV) valuation. I also noted that the CGV took more than twenty (20) working days in approving consultants' valuation reports on land government projects contrary to the statutory timelines.

Delayed valuation of Land by the CGV may result into increase in project costs, delayed commencement of infrastructure projects which affects loan absorption rates, and increases commitment charges arising from undisbursed loans from multilateral and bilateral lenders.

I advised the Accounting Officer of the Ministry of Lands to ensure that approval of consultant's valuation reports on government projects are always fast-tracked to avoid project delays and increasing liability to government.

2.16.6 Registration and Titling of Land

I noted that out of the 57 sampled entities, forty-two (42) entities did not have land titles for a total of 4,398 pieces of land comprising twenty-six (26) entities which had 1,638 pieces of land measuring approximately 80,038.88 hectares and sixteen (16) entities held 2,760 pieces with unknown land sizes. I also noted that seven (7) entities which held 81 pieces of land measuring 12,521.1 hectares had land titles for all the pieces of land held. The anomalies were attributed to the following; inadequate funds to process land titles and land having been donated by individuals who passed on without transferring title to the entity, delays by MZOs to effect registration and transfers, continuous acquisitions of land and delays in the survey process.

Lack of land titles results into encroachment, disputes and loss of public land.

I advised the Accounting Officers to engage with responsible stakeholders to secure funding to facilitate land titling. In addition, Ministry of Lands is advised to streamline and expedite processing of titling public land.

2.16.7 Failure to transfer Land into the Custody of ULC

I noted that out of the titled 1,909 land tittles held by 42 of the 45 MDAs in the sample, 15 MDAs did not transfer 167 land titles into the name and custody of the Uganda Land Commission for the benefit of the user MDAs. The Accounting Officers of public Universities and URA explained that Universities were body corporate with a right to own and manage their own land.

I advised the Attorney General to give a general guidance to corporate government entities in regard to the custody of entity land with ULC.

2.16.8 Recording and Reporting of Government Land

I noted that out of the 57 sampled entities, 20 entities did not record a total of 636 pieces of land measuring approximately 19,275.25 hectares in their respective Land registers rendering it difficult to confirm the completeness of their Land inventory. I also noted that 26 entities did not record a total of 1,355 pieces of land measuring approximately 21,603.08 hectares of land in their respective GFMIS fixed asset module thus affecting the accuracy of the non-produced assets in the financial statements.

The non-recording of land in the land register and GFMIS Asset module affects the Government's ability to keep track of all its land which could easily lead to loss and /or misstatement of the non-produced asset in the financial statements.

I advised the Accountant General to ensure that the asset module under the GFMIS is functioning properly. In addition, I advised the respective Accounting Officers to update both the fixed asset registers and the asset module under the GFMIS.

2.16.9 Utilization of Government Land for Delivery of Service

I noted that out of the 57 sampled entities, 29 entities did not utilise a total of 258 pieces of land measuring approximately 10,066.8 hectares of land held by 30th June 2022. Non-utilization and use of land for unapproved use defeats the purpose for acquisition which may affect Government's ability to achieve its intended objectives and deliver services its citizens.

In addition, thirty-four (34) entities had 434 pieces of land encroached upon, of these, 182 pieces measured approximately 61,207.04 hectares. Ninety-six 96 of the 182 pieces of land cost UGX.134.4Bn, while 252 of the 434 pieces had unknown measurements. Land encumbrances hinder management's ability to utilize the affected land for the intended purposes.

I advised the PS/ST and the Accounting Officers to institute mechanisms to ensure that land utilization plans are developed by entities. I further advised the PS/ST to address the funding deficits for land utilization in MALGs. Meanwhile the Accounting Officers should ensure that the un-utilized land is protected against encroachments.

2.16.10 Lease of Public Land

I noted that nine (9) entities with a total of 573 leases did not have updated lease registers for proper management of leases. This has led to increased litigations resulting from multiple allocation of leases; loss of land and revenue due to late or non- billing for ground rent, and lease premiums; which impact on service delivery to the citizens. Sixteen (16) leases granted by six (6) entities had expired, Six (6) entities did not receive lease rentals of UGX.1.13Bn from eighty five (85) leases, and Two (2) entities irregularly renewed three (3) leases without realization of ground rent arrears or development of land as per lease agreement. In addition, Seven (7) entities without mandate to lease out government land granted thirty one (31) leases.

I advised the respective Accounting Officers of ULC, other MDAs and Local Governments to ensure that comprehensive lease registers are maintained for proper management of leased land.

2.16.11 Allocation of Land by District Land Boards (DLB)

I noted that there was no comprehensive database of Public Land by the DLB's. As a result, two (2) District Land Boards (DLBs) allocated four (4) pieces of land which were not under their jurisdiction.

I advised the Accounting Officers to ensure strict adherence to the internal controls and compliance with land allocation procedures.

2.16.12 Management of Land outside Uganda

The Land Act mandates the ULC to hold and manage any land acquired by the Government abroad, except that the Commission may delegate the management of such land to Uganda's Missions abroad. I noted that ULC neither had information concerning government land abroad nor delegated management of such land to Uganda's Missions abroad. There is a risk of mismanagement of government land abroad.

I advised the Accounting Officer to engage and liaise with other Government agencies to ensure that the provisions in the law in regard to management of government land abroad are fulfilled.

John F. S. Muwanga
AUDITOR GENERAL

30th December, 2022

3.0. REPORT AND OPINION OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA CONSOLIDATED FINANCIAL STATEMENTS OF THE LOCAL GOVERNMENTS FOR THE YEAR ENDED 30TH JUNE 2022

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the accompanying consolidated financial statements of Local Governments, which comprise the Consolidated Statement of Financial Position as at 30th June 2022, the Consolidated Statement of Financial Performance, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, together with other accompanying Consolidated statements for the year then ended, and notes to the Consolidated financial statements, including a summary of significant accounting policies.

In my opinion, the consolidated financial statements of Local Governments for the year ended 30th June, 2021 are prepared in all material respects, in accordance with Section 52(b) of the Public Finance Management Act (PFMA), 2015 (as amended) and the Financial Reporting Guide, 2018.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of my report. I am independent of the District Local Government in accordance with the Constitution of the Republic of Uganda (1995) as amended, the National Audit Act, 2008, the International Organisation of Supreme Audit Institutions (INTOSAI) Code of Ethics, the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Financial Statements in Uganda.

I have fulfilled my ethical responsibilities in accordance with the other requirements and the IESBA Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have determined the matters described below as the key audit matters to be communicated in my report.

3.1 Payroll management in Local Governments

During my audit of the financial year 2020/21, I undertook an audit of payroll management in Local Governments which revealed major challenges. The audit findings and my recommendations thereof were communicated to various stakeholders.

Despite my recommendations, payroll management challenges still exist in LGs including lack of consolidated staff list by MoPS, irregularities in payments and deductions, and access to the payroll by ineligible staff, among others.

During the audit of the Financial Year 2021/22, I considered payments and deductions in 130 Districts as a Key Audit Matter. Below are my key findings that are also reported in the individual entity reports.

Table 21: Payroll Management findings

<table>
<tr><th>SN</th><th>Observation</th><th>Recommendation</th></tr>
<tr><td>3.1.1</td><td>
<u>Funding and absorption of wage, pension and gratuity</u>
The approved wage, pension and gratuity estimates for the financial year 2021/2022 for 130 LGs was UGX.2,539,812,346,618 of which UGX.2,532,930,356,421 was received representing 99.7% performance, as shown in the table below and details in Appendix 1 a.
Table <u>showing breakdown of LGs Budget and releases for the year</u>
<table>
<tr><th>Category</th><th>Approved Estimates (UGX' Bn)</th><th>Amount released (UGX' Bn)</th><th>% age funding received</th></tr>
<tr><td>Salary</td><td>2,193,691,448,697</td><td>2,188,910,570,953</td><td>100%</td></tr>
<tr><td>Pension</td><td>177,207,071,969</td><td>175,939,228,687</td><td>99%</td></tr>
<tr><td>Gratuity</td><td>130,713,824,879</td><td>130,616,662,851</td><td>100%</td></tr>
<tr><td>Pension arrears</td><td>29,721,908,925</td><td>29,067,345,448</td><td>98%</td></tr>
<tr><td>Salary arrears</td><td>8,478,092,148</td><td>8,396,548,482</td><td>99%</td></tr>
<tr><td>Total</td><td>2,539,812,346,618</td><td>2,532,930,356,421</td><td>99.7%</td></tr>
</table>
Source: BIG quarterly budget performance analysis
Out of the total receipts of UGX.2,532,930,356,421, UGX.2,356,575,342,414 was spent by the LGs resulting an unspent balance of UGX.176,355,014,007, representing absorption level of 93% as shown in the table below.
<table>
<tr><th>Category</th><th>Amount released (UGX)</th><th>Expenditure - UGX</th><th>Unspent - UGX</th><th>% Absorption</th></tr>
<tr><td>Salary</td><td>2,188,910,570,953</td><td>2,044,622,014,526</td><td>144,288,556,427</td><td>93%</td></tr>
<tr><td>Pension</td><td>175,939,228,687</td><td>167,980,071,241</td><td>7,959,157,446</td><td>95%</td></tr>
<tr><td>Gratuity</td><td>130,616,662,851</td><td>111,292,450,768</td><td>19,324,212,083</td><td>85%</td></tr>
<tr><td>Pension arrears</td><td>29,067,345,448</td><td>25,635,336,217</td><td>3,432,009,231</td><td>88%</td></tr>
<tr><td>Salary arrears</td><td>8,396,548,482</td><td>7,045,469,662</td><td>1,351,078,820</td><td>84%</td></tr>
<tr><td>Total</td><td>2,532,930,356,421</td><td>2,356,575,342,414</td><td>176,355,014,007</td><td>93%</td></tr>
</table>
Source: BIG quarterly budget performance analysis
The unspent balances of salaries at the end of the financial year resulted from failure/delays to carry out planned recruitments, while the unspent balances for pension and gratuity was
</td><td>
I advised the MoFPED to ensure that recruitment and wage funds are released early enough to enable the LGs to carry out the planned recruitments timely, and to also ensure that reconciliations are done before supplementary funds are released to the LGs.
I also advised the Permanent Secretary (PS), Ministry of Local Government (MoLG) to ensure that Accounting Officers start the retirement process 6 months before the due date and that the required information is in place.
</td></tr>
</table>

SN	Observation	Recommendation
	attributed to release of funds beyond the requirement, and delayed validation of pensioners. The Accounting Officers explained that the unspent balances were due to; • Delays in recruitment and deployment of secondary school teachers by Ministry of Education and Sports (MoES) and Education Service Commission (ESC). • Delays by Ministry of Public Service (MoPS) to approve and clear the recruitment plans. • Absence of fully constituted District Service Commissions (DSCs) caused by delays in approving members by MoPS. • Late release of recruitment and wage funds by MoFPED as most LGs received funds in May, 2022. • Receipt of funds in excess of the supplementary requirement. • Delay in submission of requirements for access to pension and gratuity payroll, and inconsistency in the bio-data between the IPPS and NIRA. My interaction with MoPS revealed that a recruitment calendar was issued to provide for clearance of planned recruitments after the 2nd Budget Call. This will resolve the issue regarding under absorption resulting from late recruitments. During my interaction with MoFPED, the PSST explained that recruitment plans are contained within the PBS and Accounting Officers have been guided to start the recruitment process after the approval of the budget.	
3.1.2	**Payments of salaries, pension and gratuity**	
a)	**Payment of ineligible persons** Government has lost a total of UGX.19,026,546,948 due to payment of salaries to ineligible persons/individuals in 129 LGs. The payments contravene section (B - a) (1) & (2) of Uganda public service standing orders, 2021 requiring public officers to be appropriately appointed. I reviewed a file of teachers from the Education service Commission (ESC) and noted that 609 secondary school and tertiary institution employees used forged minutes to access government payroll. The individuals had been on the payroll for a varied number of years, ranging from 1 to 39 with some even approaching the retirement. Details are in **Appendix 1 b.** When I brought up the matter to the respective DLGs, the Accounting Officers discontinued salary payments and pledged to take up the matter with police for further investigations. The Accounting Officers explained that the issue of ineligible secondary school and tertiary institutions' employees was beyond them since the appointment and posting is done by MoES. I observed that the inability by the LGs to validate eligibility of the posting instructions was due to lack of a	I advised ESC and MoES to automate the database for all teachers, streamline the validation process and consider recruiting teachers to replace those deleted from the payroll. In addition, other government organs should investigate how the appointment and posting of ineligible secondary school and tertiary institutions

<table>
<tr><th>SN</th><th>Observation</th><th>Recommendation</th></tr>
<tr><td></td><td>automated database in ESC containing minute extracts of all secondary school teachers.</td><td>employees was done by MoES.</td></tr>
<tr><td>b)</td><td><u>Over payment of salary, pension and gratuity</u>

Section B-a (7) of the Uganda Public Standing Orders, 2021 requires salaries to be fixed at annual rates and paid in twelve (12) equal instalments. It also requires salaries to be paid correctly, promptly and as a lump sum in accordance with the approved salary structure for the Public Service.

Article 254 (1) & (3) of the constitution of the Republic of Uganda 1995 as amended provides that a public officer shall, on retirement, receive such pension as is commensurate with his or her rank, salary and length of service. The payment of pension shall be prompt and regular and easily accessible to pensioners.

My review of the payroll registers (IPPS) and IFMS payments revealed an over payment of UGX.3,837,170,480 in 75 LGs in respect of 2,085 employees and 270 pensioners/beneficiaries as shown in the table below and details in Appendix 1 c.

<table><tr><th>Category</th><th>Number of staff/pensioners</th><th>Over payment - UGX</th></tr><tr><td>Salaries</td><td>2,085</td><td>2,261,246,384</td></tr><tr><td>Gratuity</td><td>208</td><td>1,293,882,652</td></tr><tr><td>Pension</td><td>62</td><td>282,041,444</td></tr><tr><td>Total</td><td>2,355</td><td>3,837,170,480</td></tr></table>
The Accounting Officers attributed the overpayments to errors in processing of payments for which recovery measures have been instituted.

My interaction with MoPS revealed that the Ministry issued Establishment Notices guiding Accounting Officers to reconcile the payrolls before payments are made.</td><td>I advised the PS MoPS to resolve IPPS system errors and expedite the roll out of HCM. I further advised the PS to ensure that the Accounting Officers undertake effective reconciliations before payments are made.</td></tr>
<tr><td>c)</td><td><u>Under payment of salary, pension and gratuity</u>

Section B-a (7) of the Uganda Public Standing Orders, 2021 requires salaries to be fixed at annual rates and paid in twelve (12) equal instalments. It also requires salaries to be paid correctly, promptly and as a lump sum in accordance with the approved salary structure for the Public Service.

Article 254 (1) & (3) of the constitution of the Republic of Uganda 1995 as amended provides that a public officer shall, on retirement, receive such pension as is commensurate with his or her rank, salary and length of service. The payment of pension shall be prompt and regular and easily accessible to pensioners.

My review of the payroll registers (IPPS) and IFMS payments revealed an under payment of UGX.24,934,143,289 in 115 LGs in respect of 3,802 employees and 4,545 pensioners/beneficiaries as shown in the table below and Appendix 1 d.</td><td>I advised the PS MoPS to resolve IPPS system errors and expedite the roll out of HCM. I further advised the PS to ensure that the Accounting Officers undertake effective reconciliations before payments are made.

I advised MoFPED to consider paying</td></tr>
</table>

SN	Observation	Recommendation
	<table><tr><td>Category</td><td>Number of staff/pensioners</td><td>Under payment - UGX</td></tr><tr><td>Salaries</td><td>3,802</td><td>3,608,932,261</td></tr><tr><td>Gratuity</td><td>3,600</td><td>6,327,639,889</td></tr><tr><td>Pension</td><td>945</td><td>14,997,571,139</td></tr><tr><td>Total</td><td>8,347</td><td>24,934,143,289</td></tr></table> I noted that the underfunding was mainly caused by Medium Term Expenditure Framework (MTEF) ceilings communicated by MoFPED Under payments affected livelihood of staff and pensioners/beneficiaries. The Accounting Officers attributed the underpayment to inadequate funds to pay all approved salary, pension and gratuity benefits and errors in processing of payments for employees and pensioners/ beneficiaries. The arrears were submitted to MoFPED for payment in the financial year 2022/23.	salary, pension and gratuity obligations as a statutory charge without subjecting it to budget ceilings.
d)	**<u>Payment of salary using wrong salary scales and salary steps/ levels/notches</u>** Section B – a (6) & (7) of the Uganda Public Service Standing Orders, 2021 provides that the Salary Structure shall indicate salaries attached to each salary scale in the public service, hence, salaries should be paid correctly, promptly and as a lump sum in accordance with the approved salary structure for the Public Service. Section (B - c) 1 of Public Service Standing Orders, 2021 provides that a public officer who holds a post graded in a salary scale with incremental levels, shall receive annual increments up to the maximum of the salary scale. My comparison of the base pay as per IPPS payroll registers with the base pay as per salary structure for 2021/22 revealed that, 1,264 employees in 26 LGs were paid on the wrong scales leading to over payments of UGX.532,949,259 and under payments of UGX.886,806,364. Additionally, 28,172 employees in 26 LGs were paid on wrong steps/levels/notches leading to over payments of UGX.2,386,682,931 and under payments of UGX.2,652,787,176. Details are in **Appendix 1 e.** <table><tr><td>Category</td><td>Number of staff/pensioners</td><td>Overpayment - UGX</td><td>Underpayment - UGX</td></tr><tr><td>Wrong scale</td><td>1,264</td><td>532,949,259</td><td>886,806,364</td></tr><tr><td>Wrong notches</td><td>28,172</td><td>2,386,682,931</td><td>2,652,787,176</td></tr><tr><td>Total</td><td></td><td>2,919,632,190</td><td>3,539,593,540</td></tr></table> Under payment due to lower notches denies the affected staff their rightful emoluments and affects their terminal benefits while over payments caused financial loss to government.	I advised Government through MoFPED to allocate sufficient funds to enable LGs to pay staff at the correct steps. I also advised MoPS to fast track the roll out of the HCM to all LGs.

<table>
<tr><th>SN</th><th>Observation</th><th>Recommendation</th></tr>
<tr><td></td><td>
The Accounting Officers attributed the above to:

Non-automation of the incremental dates in the IPPS by MoPS for which the Accounting Officers had no control.
Inadequate staff capacity in the Human Resource Departments to monitor staff appointment anniversaries/assumption of duty considering the overwhelming numbers.
Failure by staff who qualify for salary increments to notify the Human Resource Department.
The slow rollout of Human Capital Management System (HCMS) in all MDALGs.

My interaction with MoPS revealed that there is still a challenge in moving staff from one step to another because this comes with extra budget costs which are not provided by MoFPED.
</td><td></td></tr>
<tr><td>3.1.3</td><td>
<u>Payment of deductions (LST, PAYE, UNATU, UCLA)</u>

Section B-a (17) of the Uganda Public Standing Orders, 2021 requires the Accounting Officer to deduct any monies due to Government from an Officer's salary by way of statutory taxes like and any other authorized deductions. Furthermore, section B-a (18) requires that a public officer's individual contractual obligations such as hire purchase, loan, and contributions to saving schemes, trade unions and staff associations may be deducted from his or her salary in accordance with the regulations.

In addition, section 10.2 of the guidelines and procedures for decentralized salary processing 2014 required MALGS to pay deductions to the respective beneficiaries and that no arrears in respect to payroll deductions would be accepted.

I compared the deductions in the IPPS payroll registers with the remittances/payments in the IFMS details XML payment file and noted an over and under remittance amounting to UGX.5,013,885,697, and UGX.7,697,912,554 respectively as shown in the table below and appendix 1 f.

<table>
<tr><th rowspan="2">SN</th><th rowspan="2">Beneficiary</th><th rowspan="2">Deduction code</th><th rowspan="2">IPPS payroll Deduction amount (UGX)</th><th rowspan="2">Amount remitted as per IFMS (UGX)</th><th colspan="2">Variance</th></tr>
<tr><th>Over remittance (UGX)</th><th>Under remittance (UGX)</th></tr>
<tr><td>1</td><td>URA</td><td>249</td><td>177,249,202,488</td><td>173,280,707,359</td><td>-1,501,880,713</td><td>5,470,375,842</td></tr>
<tr><td>2</td><td>LST</td><td>250</td><td>5,980,754,396</td><td>8,118,380,544</td><td>-2,583,748,085</td><td>451,598,859</td></tr>
<tr><td>3</td><td>UBA/UCLA</td><td>482</td><td>80,065,479,659</td><td>79,383,042,549</td><td>-902,686,464</td><td>1,611,519,228</td></tr>
<tr><td>4</td><td>Others</td><td></td><td>3,549,448,154</td><td>3,410,599,964</td><td>-25,570,435</td><td>164,418,625</td></tr>
<tr><td></td><td>Total</td><td></td><td>266,844,884,697</td><td>264,192,730,416</td><td>-5,013,885,697</td><td>7,697,912,554</td></tr>
</table>
</td><td>I advised MoLG to ensure Accounting Officers remit the deductions promptly.</td></tr>
</table>

SN	Observation	Recommendation
	Over remittance creates avenues for siphoning funds leading to loss of Government funds. Under remittance creates un-necessary obligation to Government. I observed that Kaliro District diverted UGX.314,678,624 from the wage bill to cater for activities that are not related to the wage. These payments are under investigation and a separate report will be issued.	
3.1.4	**<u>Non-deduction of PAYE from Political leaders' and Commissioners' gratuity</u>** Section 19(1)(a) of the Income Tax Act provides that employment income mean any income derived by an employee from any employment and includes the following amounts whether of a revenue or capital nature; any wages, salary, leave pay, payment in lieu of leave, overtime pay, fees, commission, gratuity, bonus or the amount of any travelling, entertainment, utilities, cost of living, housing, and medical or other allowances among others. I noted that in 43 LGs, Political Leaders and District Service Commissioners were paid gratuity of UGX.1,352,773,796 which was not subjected to PAYE computations and deductions on the IPPS leading to a loss of tax revenue of UGX.363,098,974 to government. Details are in **Appendix 1 g.** In 9 LGs Political Leaders and District Service Commissioners' gratuity of UGX.439,505,102 was subjected to PAYE manually and UGX.112,440,114 was deducted and remitted to Uganda Revenue Authority. This practice complicates payroll management in LGs and creates inconsistencies where some LGs deduct the PAYE and others don't. Details are in **Appendix 1 g.** The Accounting officers explained that computations were not activated in the IPPS to automatically deduct PAYE from Political leaders and commissioners' Gratuity. My interaction with MoPS revealed that the error arose from the failure to distinguish between untaxable gratuity as per the Pensions Act and other taxable terminal benefits. MoPS has engaged the IPPS developer who required additional funding to rectify the error.	I advised MoPS to ensure that deduction of PAYE from Political leaders' and Commissioners' gratuity is automated in IPPS.
3.1.5	**<u>Inaccurate computation of pension and gratuity</u>** Paragraph (L-d) (1) & (2) of the Uganda Public Service Standing Orders, 2021 on the computation of pension and commuted pension gratuity provides that pension is computed on the basis of (1/500)th of the annual salary at the time of retirement, multiplied by the total number of completed months of service using the formula P = LS x Sal/ (500) where P is Pension, LS is the length of Service in months, and Sal is the annual salary on retirement.	I advised MoPS to ensure that IPPS accurately captures staff information and automatically computes the correct pension and gratuity obligation. MoPS

<table>
<tr><th>SN</th><th>Observation</th><th>Recommendation</th></tr>
<tr><td></td><td>Additionally, Paragraph (L-d) (3) provides that a public officer has an option to receive all his or her pension as an annuity or to commute a third (1/3) of his or her pension for a 15-year period and receive it as a lump sum at retirement.

I recomputed the pension and gratuity benefits and noted that 37 LGs did not accurately compute pension and gratuity benefits for 423 pensioners. Details are in Appendix 1 h.

<table>
<tr><th>Category</th><th>Number of pensioners/beneficiaries</th><th>Overpayment</th><th>Underpayment</th></tr>
<tr><td>Gratuity</td><td>222</td><td>276,463,546</td><td>442,670,972</td></tr>
<tr><td>Pension</td><td>201</td><td>53,663,042</td><td>61,942,500</td></tr>
<tr><td>Total</td><td>423</td><td>330,126,588</td><td>504,613,472</td></tr>
</table>

The Accounting Officers attributed this to failure by IPPS to automatically update the notches at the individuals' anniversary of appointment/assumption. Additionally, adjustment of scales and subscales at the point of capturing pension and gratuity by the Accounting Officers was not guided by MoPS.

My interaction with MoPS revealed that there is a provision for the Accounting Officers to rectify retiree's base pay on the IPPS towards the date of retirement for which they are either not aware or are reluctant to adjust.</td><td>was also advised to guide LG Accounting Officers on how to rectify the retiree's pension information in the system before computation is made.</td></tr>
<tr><td>3.1.6</td><td><u>Access and deletion from the payroll</u></td><td></td></tr>
<tr><td>a)</td><td><u>Delayed access of newly recruited or transferred staff to the payroll</u>

Section B-a (11) of the Uganda Public Standing Orders, 2021 states that the Accounting Officer shall ensure that the Public officer accesses the payroll within four (4) weeks from the date of assumption of duty.

I noted that 4,341 newly recruited/ transferred employees delayed to access payroll with the worst delays ranging from 5 to 12 months. As a result, by close of the financial year, 1,746 staff had not been paid a total of UGX.2,802,520,509. Details are in Appendix 1 i.

Failure to access payroll affects staff livelihood and leads to un-necessary accumulation of arrears.

The Accounting Officers attributed this to challenges with setting-up staff in the IPPS by MoPS because the process is not fully decentralised for which the LGs have no control.

During my interaction with MoPS, the PS attributed the delay to recruitments outside the approved structure that necessitates verification and subsequent clearance.</td><td>I advised MoPS to ensure that the bottlenecks in recruitment are resolved and that verification and subsequent clearance of recruited staff is done in the shortest time possible.</td></tr>
<tr><td>b)</td><td><u>Delayed access to the pension payroll</u>

Paragraph 5.1 of establishment notice no. 1 of 2020 requires responsible officers to initiate and complete the processing of retirement benefits within six months to the mandatory</td><td></td></tr>
</table>

SN	Observation	Recommendation
	retirement date. In case of death or early retirement, the process should be initiated immediately the Letters of Administration are issued and/or the early retirement has been granted. Paragraph 5.1.2 of establishment notice no. 3 of 2019 provides that pensioners' retirement benefits are authorised 5 days after retirement for payment. I however noted that 1,019 new pensioners/beneficiaries in 65 LGs delayed to access pension payroll, with some delays ranging from 50 to 110 months. As a result, UGX.1,380,739,357 was not paid. Details are in **Appendix 1 i.** Failure to access pension payroll affects pensioners' livelihood and also leads to accumulation of pension arrears. While non-removal of transferred staff affects the releasing LGs as replacements cannot access the payroll until the transferred staff have been discontinued. The Accounting Officers attributed this to challenges with setting-up pensioners in the IPPS by MoPS because the process is not fully decentralised for which the LGs have no control. Most Accounting Officers had hopes that the introduction of HCM will most likely address the issue. My interaction with MoPS indicated that this is still a challenge and as a stop gap measure, the Accounting Officers are advised to bring cases of un-validated staff to the attention of MoPS for follow up with NIRA. Going forward, with the introduction of HCM, data of only validated staff will be migrated.	
c)	**<u>Delayed removal of staff from payroll</u>** Section B-a (12) of the Uganda Public Standing Orders, 2021 provides that payment of a salary to a public officer shall be stopped immediately the officer ceases to render services to Government under whatever circumstances including death. I noted that UGX.1,071,478,611 was paid to 795 staff who had either retired, transferred, absconded or died with the worst delays ranging from 1 to 16 months. Details are in **Appendix 1 i.** Delayed removal of staff from payroll resulted into financial loss to government. The Accounting Officer attributed some of the delays to staff who had not been validated before decentralisation of payroll making the removal process difficult. Some of the delays were attributed to inconsistences in dates of birth in IPPS and National IDs. Going forward, the introduction of HCMS, will most likely resolve this issue. My interaction with MoPS indicated that this is still a challenge and as a stop gap measure, the Accounting Officers are advised	

<table>
<tr><th>SN</th><th>Observation</th><th>Recommendation</th></tr>
<tr><td></td><td>to bring cases of un-validated staff to the attention of MoPS for follow up with NIRA. Going forward, with the introduction of HCM, data of only validated staff will be migrated.</td><td></td></tr>
<tr><td>3.1.7</td><td>
<u>Inconsistencies between interface files and payroll registers</u>

Section 13.1 and 13.2 of the guidelines and procedures for decentralised salary payment processing, 2014 requires that the IPPS information tallies with the interface file of the vote. By, the final payroll should be mapped onto the interface to show the same data.

I compared the detailed payroll register reports (MoPS) with the interface files from the Core FTP (MoFPED) and noted variances of UGX.28,347,479,053 in 107 LGs. Details are in Appendix 1 j.

<table>
<tr><th>Category</th><th>Number of employees/Pensioners</th><th>Amount</th></tr>
<tr><td>Salaries</td><td>10,504</td><td>27,545,118,941</td></tr>
<tr><td>Pension and Gratuity</td><td>25</td><td>802,360,112</td></tr>
<tr><td>Total</td><td>10,529</td><td>28,347,479,053</td></tr>
</table>

I further noted that some employees captured on the payroll and uploaded onto the Core FTP system did not appear in the interface files prompting the Accounting Officers to include them manually.

This has created an opportunity for manipulation of salary funds thus leading to over/under payments.

The Accounting Officers explained that the LGs had no control over the above, since Core FTP system is controlled by MoFPED.

During my interaction with MoFPED, the Accountant General indicated that the Accounting Officers were permitted to make adjustments to rectify possible errors on the payroll without necessarily abusing the system. The Accountant General further explained that the window for making adjustments was deactivated after the audit.
</td><td>In addition, my interaction with MoPS revealed that with the migration to HCM, the process of payroll payments will be seamless because the HCM will directly interface with the IFMS.</td></tr>
<tr><td>3.1.8</td><td>
<u>Payments of salaries, pension & gratuity off the IPPS</u>

Paragraph 4.5 of establishment notice no. 2 of 2019 requires the responsible officer to pay for only salaries, pension and gratuity processed through IPPS.
A comparison of the IPPS payroll register and IFMS payment file revealed that UGX.13,502,944,430 was paid off the IPPS to 3,926 employees and 870 pensioners/beneficiaries as shown below and detailed in the table below and Appendix 1 j.

<table>
<tr><th>Category</th><th>Number of staff/pensioners</th><th>Payment Off IPPS</th></tr>
<tr><td>Salaries</td><td>3,926</td><td>4,898,961,116</td></tr>
</table>
</td><td>I advised the PS MoPS to expedite the roll out of HCM to all LGs.</td></tr>
</table>

SN	Observation			Recommendation
	Pension and gratuity	870	8,603,983,314	
	Total	4,796	13,502,944,430	
	The Accounting Officers explained these were eligible employees and pensioners/ beneficiaries and attributed the payments off the IPPS to continuous drop off from the payroll, and delayed access to the payroll by new employees and pensioners/ beneficiaries. My interaction with MoPS revealed that the drop offs were attributed to the use of dummy employee numbers, employees having deductions more than 50% of their net pay and recruitments outside the approved structure. MoPS further explained that the introduction of HCM will resolve these challenges.			
3.1.9	**Management of deductions by UCLA/UBA** Government of the Republic of Uganda represented by the Ministry of Public Service entered into a service agreement with UCLA/UBA on 3rd January 2020 to manage the loan deductions of civil servants. Uganda Consumer Lenders' Association/ Uganda Bankers Association (UCLA/UBA) contracted Payroll Consults Africa (PCA) to manage employee deductions on their behalf using the Payroll Deduction Management System (PDMS). I reviewed employee payroll deductions (non-statutory) and the PDMS records (active deductions report and my approvals) and observed the following; • **Letters of undertaking or Consent** Section 4.2 (b) of the guidelines of managing salary deductions on the Government payroll, 2014 states that as part of the due diligence process, the credit lending institutions and banks will seek for a letter of undertaking from the Accounting Officer/employer or a designated officer confirming that the officer is a bona fide Government employee indicating his or her positions in the MDA/LG, payment details, terms of appointment and other details that may be prescribed by the lending institution. In addition, only deductions consented by employees in writing should be submitted to MoPS (employer) for timely monthly payroll processing or as advised by the employer. I observed that MoPS deducted UGX.20,792,707,030 from 15,002 staff in 44 HLGs on behalf of UCLA/UBA without letters of undertaking or consent as a prerequisite of approval of the deductions. Details are in **Appendix 1 k.**			Government through MoPS should consider revisiting the MoU with UCLA/UBA with a view of streamlining the management of deductions. In the meantime, the role of coding and decoding of deductions should revert to the respective Accounting Officers.

SN	Observation	Recommendation
	Loans/savings not supported by letters of under-taking/consent may lead to; unauthorized deductions and lack of assurance/guarantee to lending institutions which may limit access to loan services and affects the livelihoods of civil servants. The Accounting Officer explained that this was an oversight and promised to keep copies of letters of undertaking and consent letters in the subsequent years. I advised the Accounting Officers to ensure that letters of undertaking are duly prepared, signed by the bank and a copy retained on the staff personnel file for ease of reference. • **<u>Deduction past the deduction end date</u>** I observed that MoPS deducted UGX. 1,458,405,180 relating to 2,143 employees in 83 LGs past the end date on behalf of UCLA/UBA. Details are in **Appendix 1 k**. Deductions past the end date result into financial loss to the affected staff. • **<u>Unrealistic loan end dates</u>** I noted that unrealistic loan end dates for 2,729 employees in 69 LGs with the worst ranging from ranging from 11 to 5,642 years. In the year under review, UGX.4,745,884,699 had been deducted from these employees. Details are in **Appendix 1 k.** The above end dates are unrealistic and cast doubt on the integrity of the PDMS system controlled by PCA. This has led to continuous deductions from staff and there are possibilities of making deductions from staff without running loans. • **<u>Unapproved loan deductions by Accounting Officer in the PDMS</u>** I observed that UCLA/UBA deducted UGX.8,885,902,311 from 8,468 staff in 95 LGs without approval of the Accounting Officers from the PDMS contrary to Section 2.1.2 & 2.1.4 of the service agreement. Details are in **Appendix 1 k.** This creates opportunities to misappropriate funds through making fictitious deductions as well as over deductions. In addition, UGX.1,643,636,038 was deducted by UCLA/UBA from 8,756 staff over and above the approved amounts by the Accounting Officers in 68 LGs. Details are in **Appendix 1 k.**	

SN	Observation	Recommendation
	This resulted into financial loss to the affected staff. • **<u>Reliability of the Payroll Deduction Management System</u>** "Active" deductions report and "my approvals" report in the PDMS should have consistent deduction amounts to give confidence in the accuracy and integrity of the system. A comparison of the "active deductions" and "my approvals" reports in the PDMS revealed that there were variances in deduction amounts. Details are in **Appendix 1 k.** Lack of integrity of the system creates opportunities for manipulation of the deduction which could result into financial loss to the affected employees. Details are in **Appendix 1 k.** The Accounting Officers explained that entities had no control over the challenges above in the management of non-statutory deductions in the PDMS system by UCLA/UBA. The Accounting Officers further explained that the issues would be resolved if the LGs do not have rights for coding and decoding of deductions.	
3.1.10	**<u>Use of wrong formula to compute statutory deductions</u>** Section 22 1(d) of the Income Tax Act as amended by Amendment Act of 2008 provides that for the purpose of ascertaining the chargeable income of a person for a year of income, Local Service Tax paid by an individual should be an allowable deduction. The Local Governments (Amendment) (No. 2) Act of 2008 defined "take-home salary" as gross salary after deducting income tax in the form of Pay as You Earn (PAYE) and prescribed the rates of local service tax in respect of persons in gainful employment and earning a monthly take-home salary. I noted a contradiction between the Income Tax Act and the Local Government Act in regard to computation of PAYE and LST. The contradictions result from the Income Tax treating LST as an allowable deduction when computing PAYE while the Local Government Act treats PAYE as an allowable deduction when computing LST. Consequently, the contradiction has resulted to over deduction of PAYE of UGX.3,040,220,504 and under deduction of UGX.2,387,243,619 from 75,094 employees in 96 LGs. This has also resulted into under deduction of LST of UGX.682,208,048 and over deduction of UGX.1,043,454,067 from 94,892 employees in 102 LGs which is a loss to Government. Details are in **Appendix 1 l.**	I advised MoPs to engage the Attorney General to have the above contradiction resolved.

SN	Observation	Recommendation
	In addition, I also observed that 55 LGs, did not deducted LST of UGX.700,135,000 from 11,645 employees while 102 LGs, did not deducted PAYE of UGX.447,775,826 from 1,621 employees. Details are in **Appendix 1 l.**	

3.2 Land management in Local Government

The reviews on the country's performance under the NDP I and II pointed out inadequacies in land management as impediment to effective and efficient service delivery in the country. In NDP III, and in line with Vision 2040, Government has prioritised land management reforms to prevent degradation, adverse effects of climate change and unsustainable land use practices.

As a result, I considered Management of Public Land in a Key Audit Matter because of its importance to the county's development agenda.

Consequently, I designed audit procedures to ascertain whether the 11 LGs sampled undertake planning for public land acquisition, whether such acquisitions comply with land acquisition and budgeting guidelines and whether the acquired land is registered and titled.

Based on the audit procedures performed, I made the following significant audit findings;

Table 22: Land Management audit finding in Local Governments

SN	Observation	Recommendation
3.2.1	**Strategic Planning for Land acquisition** Regulation 25 (1) of The National Planning Authority (Development Plans) Regulations, 2018 requires a decentralised planning institution (Ministry, Department or Agency of Government, a sector or Local government) to prepare a decentralized development plan highlighting the development needs of the institution. Instruction 3.9.5 of the Treasury Instructions, 2017 requires the budget estimates to be based on the pre-determined objectives and outputs as provided in the strategic plans of the sector/entity. I noted that of the 12 sampled entities for the period 2018/19-2021/22 4 entities acquired Land 10 pieces of land of which 3 pieces measured 42.47 hectares and 7 pieces had undefined measurements. Details are in **Appendix 2 a.** • Only 1 of the 10 pieces measuring 40.47 hectares was planned in the strategic plan. • 8 of the 10 pieces of which 1 piece measuring 40.47 hectares and 7 pieces of undefined measurements were budgeted for at a cost of UGX.0.627Bn while 2 pieces measuring 2 hectares were not budgeted for.	I advised the Accounting Officers to liaise with the relevant stakeholders to ensure that the planned fund allocation for Land acquisition are realised and undertake spending as per approved budget lines or seek approval for any reallocations and virements where need arises.

SN	Observation	Recommendatio n
	• Of the budgeted amount of UGX.0.627Bn, UGX.0.624Bn was availed resulting into a shortfall of UGX.0.003Bn (0.5%).Of this UGX.0.296Bn was spent on Land acquisition while UGX0.305Bn (49%) was diverted and the unspent difference of UGX.0.024Bn was swept back to the consolidated fund. Inadequate budgeting for land acquisition may lead to mischarges, diversions, interest costs arising from delayed payments and accumulation of Domestic arrears while under absorption and failure to acquire the planned size of land affects the entities abilities to achieve the intended objectives for Land acquisition.	
3.2.2	**<u>Titling and Transfer</u>** Section 49 (c) of the Land Act, Cap 227, states that the Uganda Land Commission shall procure certificates of title for any land vested in or acquired by the Government. I noted that out of the 631 pieces held by the 12 sampled entities of which 348 pieces measured 2384.78 hectares and 283 pieces had undefined measurements, 11 entities did not have titles for 428 pieces of land of which 172 pieces measured 651 hectares and 256 pieces had undefined measurements. Details are in **Appendix 2 b.** The anomalies were attributed to the following; inadequate funds by the entities to process Land titles and land having been donated by people who passed on without transferring title to the entity. Lack of Land titles results into encroachment, disputes and loss of public land.	I advised the Accounting Officers to expedite the titling of all its land to secure it from potential loss.
3.2.3	**<u>Failure to transfer Land into the Custody of ULC</u>** Instruction 16.13.11 of the Treasury Instruction, 2017 requires that for land, a government entity shall be considered to have control if it has the title. If the government entity does not have title to the land, the entity shall not be considered to have control (the title of government land is supposed to be kept with the Uganda Land Commission). Section 49 of the Land Act Cap 227 further requires the Uganda Land Commission to hold and manage all the land in Uganda which is vested in or acquired by the Government including land acquired by the Government abroad. I noted that out of the 631 pieces held by the 12 sampled entities of which 348 pieces measured 2384.78 hectares and 283 pieces had undefined measurements, 6 entities did not transfer 102 pieces of land measuring approximately 676.253 hectares into the custody of the Uganda Land Commission. Details are in **Appendix 2 c.**	I advised the Accounting Officers to ensure that ensure that all Land titles are jointly registered in the names of both entities and ULC and also fast track the establishment and maintain ace of the Governments Land Inventory.

SN	Observation	Recommendation
	The Accounting Officers explained that the District Local Governments were body corporates hence had a right to own land in their own names. Failure to transfer all Government Land into the custody of ULC is irregular and affects the Government's ability to effectively manage Public Land.	
3.2.4	**Maintenance of land Register** Instruction 16.6.1 of the Treasury Instruction, 2017 requires the Accounting officer to maintain an electronic or manual register, in a form (TF 26) for all assets that contain the minimum of the following; Date of purchase of the asset, The supplier, The type and description of each asset,(for land - land registration number, The acquisition cost of the asset, The physical location of the asset, User of the asset/, Condition of the asset, Date of disposal (as applicable); and (l) Disposal proceeds (as applicable). Furthermore Instruction 10.12.4 of the Treasury Instruction, 2017 requires all fixed asset acquired to be captured in the fixed asset module of the Government Financial Management Information System (GFMIS)-IFMS. I noted that out of the 631 pieces held by the 12 sampled entities of which 348 pieces measured 2384.78 hectares and 283 pieces had undefined measurements, 9 entities did not record a total of 583 pieces of land measuring approximately 1944.63 hectares in their respective Land registers rendering it difficult to confirm the completeness of their Land inventory. Details are in **Appendix 2 d.** I also noted that 10 entities did not record a total of 603 pieces of land measuring approximately 2234.98 hectares in their respective GFMIS fixed asset module thus affecting the accuracy of the non-produced assets in the financial statements. Details are in **Appendix 2 e.** The lack of an updated land register was mainly attributed to the absence of a reconciled position between land acquired by the lower local governments and the various departments in the district while the failure to update the GFMIS was attributed to non-functionality of the GFMIS system and valuation The non-recording of land in the land register and GFMIS Asset module affects the Government's ability to keep track of all its land and could lead to misstatement of the non-produced asset in the statement of financial position and in the summary statement of stores and other assets (physical assets).	I advised Government to ensure that all Land acquired is duly recorded in the entity Land register and GFMIS Asset modules.

SN	Observation	Recommendation
3.2.5	**<u>Use of Land in accordance with approved purpose in the entity Strategic Plan</u>** Out of 631 pieces of land of which 348 pieces measured 2384.78 hectares and 283 pieces had undefined measurements, held by the 12 sampled entities, 3 pieces of land measuring approximately 11.767 hectares (33%) were not used in accordance with the approved purpose set out in the strategic plan by 1 entity. Details are in **Appendix 2 f.** The anomalies were attributed lack of adequate funds to put the land to its intended use. Use of land for unapproved purposes defeats the purpose for acquisition which may affect the entity's ability to achieve its intended objectives.	I advised the Accounting Officer to lobby for funds to put the land to its intended use.
3.2.6	**<u>Unutilized Land</u>** Instruction 16.13.12 of the Treasury Instruction, 2017 requires that to control an asset, a government entity usually be the predominant user of the asset. I noted that out of the 631 pieces of land measuring approximately 2384.78 hectares held by the 12 sampled entities, 19 pieces of land of which 13 measured approximately 20.786 hectares and 6 pieces had undefined measurements were not utilized by the entity at the time of Audit. Details are in **Appendix 2 g.** The anomalies were attributed to inadequate funding by the respective Local Governments to develop the land. Vacant land if not secured is susceptible to encroachment hence depletion of Public Land	I advised the Accounting Officer to lobby for funds to put the land to its intended use.
3.2.7	**<u>Encumbrance on Public Land</u>** Instruction 16.13.12 of the Treasury Instruction, 2017 requires that to control an asset, a government entity should be the predominant user of the asset. I noted that out of the 631 pieces of land measuring approximately 2384.78 hectares held by the 12 sampled entities, 37 pieces of land of which 13 measured approximately 121.257 hectares and 16 pieces had encumbrances in the form of caveats, court injunctions and encroachment. Details are in **Appendix 2 h.** The anomalies were attributed to the following; Lack of title and supporting documentation of ownership and prolonged non utilisation of land.	I advised Government to ensure that due diligence is done prior to acquisition of land and that the land is put to use when acquired. Meanwhile the Accounting Officers should ensure that all forms of encumbrances on its land are resolved.

SN	Observation	Recommendation
	Land encumbrances hinder management's ability to utilize the affected land for the intended purpose, and may pose a risk of loss of land.	
3.2.8	**<u>Lease of public land</u>** A review of records and inquiry from management of the 12 sampled entities revealed that 4 entities leased out 159 pieces of land with undefined measurement in the period under review. A review of the lease process revealed the following;	
a)	**<u>Register of Leased land</u>** Guideline 8.4.4 of the GoU Asset Management Framework and Guidelines, 2020 requires a schedule of land or any other asset disposed through a lease arrangement to be maintained following the provided format. I noted that all the 4 entities that a total of 159 pieces of land did not have updated lease register rendering it difficult to establish the actual size of land leased, lease expiry date, lease rentals to be collected and in arrears. Details are in **Appendix 2 i.** The anomalies were attributed to the Leases having been granted by former controlling Authorities that did not pass on inventory or lease records to the Boards for effective management. Failure to have an updated leased land register affects entities ability to properly manage the public land, which may result into losses due to either fraud or negligence.	I advised Government to ensure that updated lease registers are put in place.
b)	**<u>Irregularities in Management of leased land</u>** Regulation 6 of the Land Regulations, 2004 requires a lease offer made by a board or the commission to communicate the offer stating the terms and conditions of the offer conditioned upon payment of fees and other charges, in full or by instalment. A review of a sample 159 leases issued by the 4 *DLB's revealed* the following; • No leases had expired at the time of carrying out this Audit. • 2 leases granted by one entity for land measuring 5.821 hectares leased out had not been developed as per conditions of the lease agreement. Details are in **Appendix 2 i.** • 2 entities did not receive any lease rentals from 82 lessees of UGX.96, 990,000 expected in the period under	I advised the Government to ensure that records for decentralised Public Land and leases are passed to the respective DLBS for proper management and follow up.

SN	Observation	Recommendation
	review the hence an under collection of UGX.96,990,000. Details are in **Appendix 2 i.** • 2 entities renewed leases for 3 pieces of land of undefined measurement without realisation of ground rent arrears or development of land as per lease agreement. Details are in **Appendix 2 i.** The anomalies regarding expiry, non-development of leased land and failure to collect lease rentals were mainly attributed to the following; Leases having been granted by former controlling Authorities that did not pass on inventory or lease records to the Boards for effective management. The anomalies regarding non collection of ground rent arrears were attributed to poor internal controls surrounding management of leases. Irregularities in lease management processes lead to loss of revenue and public land.	
3.2.9	**<u>Irregular allocation of Land by District Land Boards (DLB)</u>** Regulation 23 (1) of the Land Regulations, 2004 on procedure in connection with allocation of land by the board requires a person to apply to the board to be allocated land in the district which is not owned by any person or authority. In addition Regulation 23 (2) of the Land Regulations, 2004 requires the commission to advertise the application by giving notice in a newspaper with wide circulation to draw the attention of persons likely to be affected by the application, invite any person to comment on or object to the application and thereafter determine whether the applicant should be allocated the land for which the application is made I noted that during the period under review 2 Boards allocated 4 pieces of land without defined measurement that were not under their jurisdiction. Details are in **Appendix 2 j.** The above anomalies were attributed to; Lack of comprehensive databases of Public Land by the DLB's Irregular allocation of Land by the DLB may lead to litigation and Land conflict.	I advised the Accounting Officers to put in place databases of all public land under their jurisdictions and desist from allocating land outside them.

Emphasis of Matter

Without qualifying my opinion, I draw attention to the following matters in the consolidated financial statements of Local Government that in my judgment are of such importance and fundamental to users' understanding of the financial statements;

3.3 Inconsistencies in the basis of accounting in Financial Reporting Guide and Treasury Instructions

Instruction 5.2.1 of the Treasury Instructions, 2017 states that as a transitional arrangement towards the adoption of the full accrual basis of accounting, all votes (Central Government, district and urban municipalities) shall maintain their books of account on the modified accrual basis of accounting,

Guideline 2.4 of the Financial Reporting Guide, 2018 provides that there are two bases of accounting currently being used by the Government entities (Modified Cash and Accrual Basis of Accounting).

Furthermore, accounting policy 1(e) of the Financial Reporting Template used for Cities and Municipals provides for preparation of financial statements using accrual basis of accounting.

As a result, inconsistencies affect the accuracy of the criteria used by Auditor General to provide opinions on the financial statements.

The Accountant General explained that;

- The Treasury Instructions are clear about the transitional arrangement towards the adoption of the full accrual basis of accounting. However, the natural progression is to move from Cash basis through modified cash and modified accrual and eventually full accrual basis of accounting and the Accountant General revises guidelines from time to time to facilitate this transition. Furthermore, the Consolidated Financial Statements are prepared based on the latest guidance provided in the Financial Reporting Template.

- A review of the Financial Reporting Guide and Financial reporting Template is in progress and the above will be harmonised.

The Accountant General was advised to expedite the revision of the Financial Reporting Guidelines and Templates.

3.4 Consolidation of Local Authorities with different accounting bases

A review of the Treasury Instructions, 2017 and Financial Reporting Guide, 2018 revealed that there were no guidelines on how the consolidation of entities that prepare financial statements using different bases of accounting is done.

Furthermore, I noted that the consolidation of financial statements was done for Districts and urban authorities that prepared financial statements using modified accrual and accrual basis of accounting respectively.

As a result, some consolidated account/components do not accurately represent the true nature of transactions.

The Accountant General explained that:

- Government is in the process of transiting from modified cash basis of Accounting to Accrual basis of Accounting.

- While the transition is being done, necessary adjustments and disclosures are done in order to comply with the provisions of PFMA 2015 of having Consolidated Financial Statements of Local Government.

These adjustments will cease once all the entities (Municipals and DLGs) comply with the accrual basis of Accounting, which is the ultimate goal.

I advised the Accountant General to consider revising the Treasury Instructions and Financial reporting guideline to include guidance on the consolidation of financial statements prepared on different bases of accounting.

3.5 Management of YLP and UWEP in Local Governments

Youth Livelihood Program (YLP) and Uganda Women Entrepreneurship Programme (UWEP) commenced in the FYs 2013/14 and 2015/16 respectively with aim of providing affordable credit through an interest-free revolving fund.

I reviewed the progress reports of various LGs data obtained from the MoGLSD as at 30th June 2022 and noted the following;

- Under YLP the recovery rate was only 23% of the amount due as at 30th June 2022. The table below refers**.** The best performing DLGs with collections above 60% were Kotido, Kazo and Kyankwazi while the worst LGs were Bugweri DLG, Lamwo DLG, Tororo MC, Amudat DLG and Abim DLG with collections of 5% and below. **Appendix 3 a refers.**

- Under UWEP, the recovery was relatively fair at 71% of the amount that was due as at 30th June 2022. The best performing LGs were Luwero DLG, Wakiso DLG, Bushenyi DLG, Nebbi DLG, Kyenjojo DLG, Kyankwanzi DLG, Sheema MC, Lira DLG and Sironko with 100% recoveries. **Appendix 3 b refers.**

Table 23: Management of YLP and UWEP in Local Governments

Details	Amount Disbursed - UGX	Amount Due by 30th June 2022 - UGX	Amount Recovered - UGX	Variance - UGX	% Recovered
YLP	164,992,797,049	164,992,797,049	38,018,366,215	127,788,117,770	23
UWEP	111,476,011,092	32,038,054,728	22,867,682,221	9,170,372,507	71
TOTALS	**278,920,746,571**	**197,030,851,777**	**60,886,048,436**	**136,144,803,341**	

Source: MoGLSD

There is a high risk that the outstanding amount may not be recovered in a timely manner given the slow progress of recovery hindering the access of funds by other groups through a revolving mechanism as had been anticipated.

The Accounting Officers and MoGLSD attributed the low recovery under YLP to the disintegration of the groups, non-funding of monitoring and supervision activities and staff capacity gaps in the LGs. MoGLSD
In order to improve on the performance of recoveries, MoGLSD has suggested sensitization of district leaders, development of a database of defaulting groups to be forwarded to investigative organs of government for follow-up and availing additional funding to compliant groups to encourage others to pay back.

I await the outcome of the strategies devised by the MoGLSD to improve on the recovery rate. In addition MoGLSD should clearly communicate the strategies to LGs.

Other Matter

In addition to the matters raised above, I consider it necessary to communicate the following matters other than those presented or disclosed in the financial statements;

3.6 Implementation of the Approved Budget

Over the years, Local Governments have experienced challenges in the implementation of the approved budget and these have affected service delivery. Previous OAG audit reports on budget performance have also revealed significant weaknesses that have affected the credibility of the LG budgets; these include diversion/mischarge, revenue underperformance, under absorption and implementation of off-budget activities, among others.

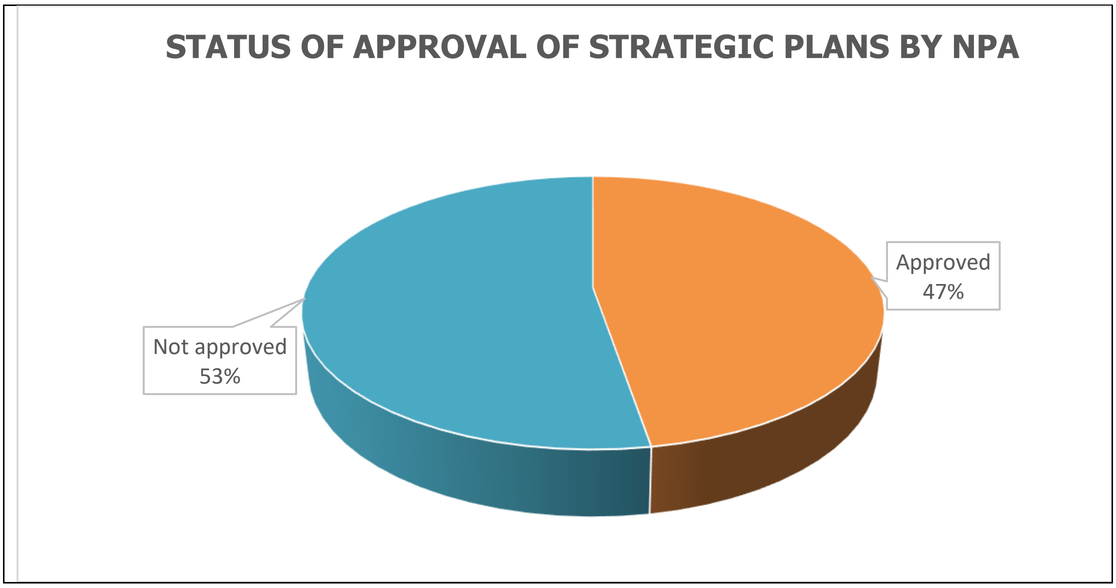
Although there has been an improvement in the quantification of activities and the preparation of performance reports, I identified areas that need improvement to make the planning processes better, improve performance, credibility of future budgets and service delivery.

Below is a summary of my findings, details of which are included in the individual reports that have been issued separately;

3.6.1 Approval of budgets by Parliament without corresponding strategic plans

Regulation 26(1) of the National Planning Authority (NPA) [development of Plans] Regulations requires entities to submit five-year development plans for certification before approval to ensure that strategic plans are well aligned to the National Development Plans.

By the end of the FY2021/22, only 80 (47%) out of 169 LGs had their strategic plans certified by NPA. By the time of writing this report, NPA had not yet certified strategic plans for 89 (53%) LGs that had submitted, as shown below;



I noted that Parliament approved budgets for 169 LGs in the FY 2020/21 and 89 LGs in the FY 2021/22 without the corresponding certification of strategic plans by NPA. Details are in **appendix 4 a**.

As a result, some of the Annual Work Plans and Budgets (AW&Bs) and therefore the activities implemented in the FY 2021/22 may not be consistent with the NDP III, which may hinder the attainment of the development goals, objectives and targets set by the country.

The Accounting Officers attributed the above to delays by NPA to review and give feedback on the strategic plans, compounded by lack of training and technical support from NPA and MoFPED during the development of the strategic plans.

My interaction with the PSST, revealed that the change from sector to programmatic approach led to delayed issuance of the NDP III implementation plan by NPA to LGs thus affecting the preparation and approval of the strategic plans.

I advised NPA to expedite the issuance of NDP III implementation plan and to build capacity of planners in the government entities to minimize delays in the preparation and approval of strategic plans.

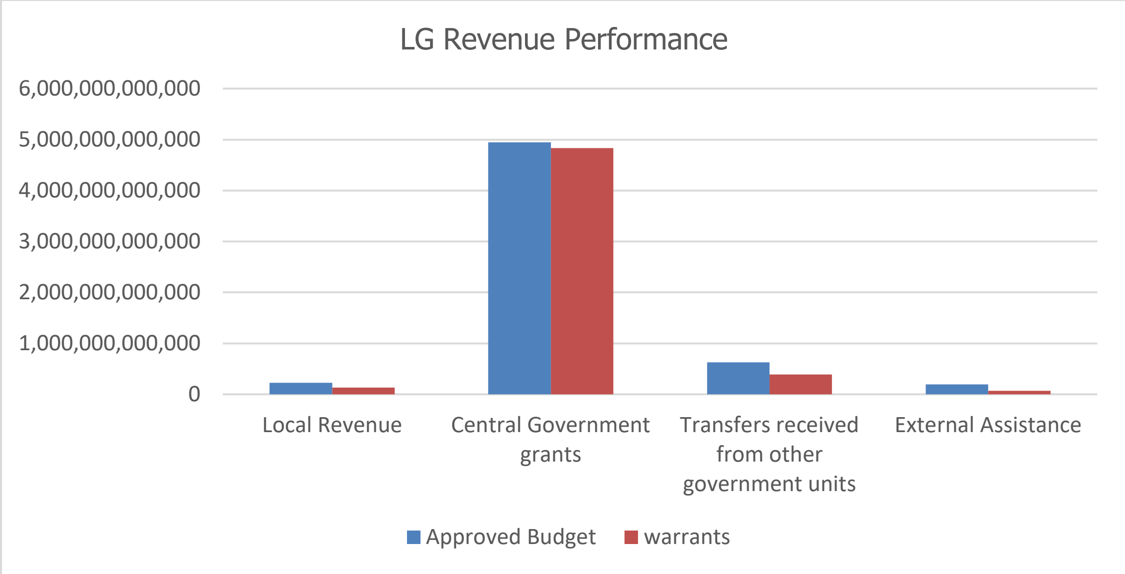
3.6.2 Revenue performance

169 LGs budgeted to receive a total of UGX.5,995,310,337,537 but realized only UGX.5,426,900,787,092 (91%), leading to a shortfall of UGX.568,409,550,445 (9%). The performance of each revenue source is summarised in the table below:

Table 24: Local Government revenue performance

Revenue Source	Approved Budget - UGX	Warrants - UGX	Variance - UGX	%age performance
Local Revenue	223,518,772,109	131,349,888,815	92,168,883,294	59%
Central Government grants	4,944,460,827,948	4,833,248,994,175	111,211,833,773	98%
Transfers received from other government units	629,935,041,555	390,759,823,561	239,175,217,994	62%
External Assistance	197,395,695,925	71,542,080,541	125,853,615,384	36%
Total	5,995,310,337,537	5,426,900,787,092	568,409,550,445	91%

Source: BIG report, quarterly budget performance reports



Generally, LGs are heavily dependent on the central government grants which contribute 98% of the LG total funding.

Local revenue performance, where 148 HLGS did not collect UGX.92,168,883,294 (41%) affected activities for which local revenue funding was earmarked. Details are in **appendix 4 a**.

The Accounting Officers attributed the shortfall in local revenue collection to the effects of COVID 19 on markets, trading licenses, hotels tax and royalties.

Other than the local revenue source, the LGs had no control over the performance of other revenue sources, which affected the implementation/ payment for the following activities;

- Council allowances and other council activities.
- Funding of some gazetted PDM SACCOs and the recruitment of parish chiefs
- URF road activities under routine mechanised and periodic maintenance.
- Health service activities, including immunisation, treatment of Malaria and Tuberculosis.

I advised as follows:

- MoLG and Local Government Finance Commission should expedite the roll out of Integrated Revenue Administration System (IRAS) in all LGs to improve revenue assessment, collection and reporting, which will enhance local revenue performance.

- LGs should prepare budgets in consultation with donors to ensure realistic and attainable revenue estimates. LGs should further ensure compliance with donor requirements to avoid penalties and unnecessary delays.

- Adequately sensitize and mobilize communities on tax related matters like compliance and carry out a robust tax payer assessment and enforcement.

3.6.3 Unutilised funds

From the total receipts in the FY of UGX.5,426,900,787,092, only UGX.4,723,235,613,153 (87%) was utilised, resulting in an unspent balance of UGX.703,665,173,939 as shown in table below and in **appendix 4 b.**

Table 25: Unutilised funds in Local Governments

No	Activity	Amount-Unspent (UGX)
1	Salary, pension and gratuity payment	176,355,014,007
2	USMID AF in refugee hosting districts	41,830,160,377
3	Micro scale irrigation	28,315,288,149
4	DRDIP funding subprojects	12,412,158,314
5	USMID construction of roads	31,425,512,796
6	Others	413,327,040,296
	Total	703,665,173,939

Source: LG work plans, budgets and performance reports

The failure to utilise funds led to either partial or non-implementation of the following activities;

- 8,347 staff and pensioners/beneficiaries in 115 LGs were under paid.
- 4 LGs did not implement 25 infrastructure projects under USMID AF.
- In 23 LGs, 190 farmers were not supported with irrigation equipment which exposed a large number of farmers' plantation to drought.
- 46 subprojects under DRDIP in 2 LGs were not implemented.

The Accounting Officers attributed the failure to absorb the funds as highlighted in the table below;

Table 26: Reasons for under absorption of funds in Local Governments

No	Activity	Explanations from the Accounting Officers
1	Salary, pension and gratuity payment	• Late disbursement of funds by MoFPED for recruitment of teachers and health workers. • Delay by MoES to approve the recruitment plans for secondary school teachers. • Delays by MoPS to approve staff structures.
2	USMID AF in refugee hosting districts	• Delayed dissemination of the approved project designs and implementation guidelines by the USMID secretariat in MoLHUD.
3	Micro scale irrigation	• Late disbursement of program funds • Failure to co-fund.
4	DRDIP funding subprojects	• Late disbursement of program funds and approval of subprojects

I advised the Accounting Officers to ensure that activities are rolled over and funds re-voted for implementation in the subsequent financial year. I also advised MoFPED to timely release the appropriated funds to avoid the failure to utilise.

3.6.4 Off Budget Financing/Receipts

Section 43 (1) of the PFMA 2015 requires all expenditure incurred by the Government on externally financed projects in a financial year to be appropriated by Parliament. Paragraph 29 of the Budget Execution Circular for the Financial year states that if an external agency provides funds in the course of implementation of the budget or any funds remain unspent at the expiry of an appropriation, these must be declared and a supplementary issued in line with the Public Finance Management Act 2015.

I noted that 5 LGs received UGX.3,670,739,179 from external development partners for implementing activities not budgeted for. However, these funds were neither declared to PSST nor a supplementary budget issued contrary to Section 43 (1) of the PFMA 2015.

This therefore implies that the total budgets of these entities was understated, thus distorting planning and, may result in duplication of activities. Details are shown in the table below.

Table 27: Local Government off- budget financing

SN	Vote Code	Entity Name	Amount - UGX
1	523	Kayunga District	773,412,069
2	544	Nakasongola District	400,000,000
3	586	Otuke District	342,888,374
4	602	Rubirizi District	350,890,654
5	556	Yumbe District	1,803,548,082
	Total		3,670,739,179

The Accounting Officers attributed this to limitations of the PBS system which has no provision for inputting such off budget receipts and also receipt of funds not expected at the time of planning.

During my interaction with PSST indicated that MoFPED created a window to allow off budget financing to be recognised in PBS. In addition, MoFPED is continuously engaging development partners to fund LGs through the government funding system.

I advised Government to ensure that all funds are included in the PBS and appropriated by Parliament, and expenditure of such funds follows the government financial system. In addition, all funds received outside the approved budget during the year should be disclosed to the PS/ST for supplementary appropriation.

3.6.5 Excess release of wage funds to LGs

During the year under review, I observed that 101 LGs did not utilise all warranted wage funds. I sampled 19 LGs that had not utilised wage funds in excess of UGX.2,000,000,000 and observed that all these entities received supplementary wage funding towards the end of the financial year. These entities did not utilise a total of UGX.54,585,930,745 during the year. Details are in **appendix 4 b.**

I noted that the funds unutilised were in many instances in excess of the annual wage requirement of the respective LGs. The Accounting Officers of Kiryandongo DLG, Kisoro DLG, Kole DLG and Nakasongola DLG explained that they received wage funds amounting to UGX.3,862,110,354 in excess of what was requested. Details are in the table below;

Table 28: Excess release of wage funds to Local Governments

SN	Entity	Amount released in excess of the requirement - UGX
1.	Kiryandongo DLG	2,578,969,118
2.	Kisoro DLG	753,706,312
3.	Kole DLG	414,577,139
4.	Nakasongola DLG	114,857,785
	TOTAL	**3,862,110,354**

Source: BIG Quarterly budget analysis report and LGs payments details XML report

I also observed that whereas the cities had not operationalised the city staff structures, funds for recruitment were released and therefore remained unutilised at the end of the financial year.

This limits the availability of funds to cater for priority areas and creates an avenue for misappropriation of funds.

The Accounting Officers explained that the mandate to disburse funds lies with MoFPED.

I advised the PSST to ensure that funds are released in accordance with the approved budgets.

3.6.6 Transfer of funds to LLGs by LGs to avoid sweep backs

Section 17(1) of the PFMA 2015 provides that every appropriation by Parliament shall expire and cease to have any effect at the close of the financial year for which it is made.

Sub Section (2) provides that a vote that does not expend money that was appropriated to the vote for the financial year shall at the close of the financial year, repay the money to the Consolidated Fund.
During my audit of the FY 2021/22, I observed that 23 LGs transferred UGX.6,493,901,877 to LLGs towards the end of the financial year to avoid funds remaining unutilised. Details are in **appendix 4 b**.

This action contradicts Section 17(1) and (2) of the PFMA 2015 and will result into misappropriation of public funds.

The Accounting Officers explained that the transfer was based on the advice from the PS MoH to transfer the construction funds to the Health Centres. The Accounting Officers further explained that the funds for other construction projects were meant for committed contracts that were still ongoing and that the process of re-voting the funds swept back always delays or may not be successful.

During my interaction with MoFPED, PSST acknowledged the observation and promised to take corrective action.

I await the outcome of the corrective action.

3.6.7 Misclassification of expenditure

Instruction 7.10.3 of the Treasury Instructions 2017 stipulates that the chart of accounts provides a basis for a uniform budget classification and execution; therefore, it is mandatory for all votes to use the coding structure to budget and execute the budget.

However, I made the following observations:

- In 43 LGs, UGX.5,461,616,914 relating to pension (212102), pension arrears (321608) and gratuity (213004) was misclassified on code 212102 relating to monthly pension, thus overstating the monthly pension expenditure. Details are in **appendix 4 b**.

- In some LGs, UGX. 39,524,117,773 was charged on wrong account item codes contrary to those in which they were budgeted for as shown in the table below.

Table 29: Misclassification of expenditure in Local Governments

Program	Number of HLGs	Amount (UGX)
Pension and gratuity	43	5,461,616,914
Microscale Irrigation	39	20,478,337,116
Ex-gratia	11	525,038,679
Other expenditure lines	43	13,059,125,064
Total		**39,524,117,773**

The Accounting Officers attributed that:

- All payments of pension, gratuity and pension arrears are aggregated to one code in the interface file.
- Different program activities were budgeted for under one account code which led to expenditure being charged wrongly contrary to where they were budgeted for. This is a matter that can only be addressed by PSST MoFPED.

I explained to the Accounting Officers that the LGs are likely to deviate from the planned activities without early detection by management.
During my interaction with MoFPED it was explained that the PSST will engage MoPS on the aggregation of pension and gratuity matters while misclassifications arising from budgeting on wrong codes, the Accounting Officers will be reminded to appropriately budget for expenditure on the correct codes.

I advised the MoPS ensure that pension, gratuity and pension arrears are disaggregated and sent on the right budget codes. I advised PSST to ensure that Accounting Officers appropriate allocated funds to the right codes during budgeting.

3.7 Funds not accounted for

Treasury Instruction 24.10.1 provides that financial records include all source documents (budgets, invoices, vouchers, bank statements, credit advice, journals, cheques, receipts and any other documents), which serve as evidence of financial transactions.

Similarly, Regulation 42 and 43 (2) of the Local Government Financial and Accounting Regulations 2007, require funds to be properly vouched and accounted for within a period of a month.

From the review of documents supporting payments made in the year, it was noted that payments amounting to UGX.2,495,441,197 in 23 LGs remained un-accounted for by close of the financial year as shown in **Appendix 4 b.**

Consequently, I could not confirm that the funds were utilized for the intended purpose and therefore this implies that the expenditure account balances are overstated by the amount not accounted for.

I advise the Accounting Officer to provide supporting documentation for this expenditure with a view of initiating a recovery process from the officers who hav failed to account.

3.8 Ex-gratia payments

In the 2nd budget call circular for the financial year 2021/2022, the PS/ST requested HLGs to adequately budget for Ex-gratia and Councillor's allowance in FY 2021/2022.

I noted that 31 LGs received UGX.4,543,306,404 (72%) out of the approved budget of UGX.6,290,484,980 resulting into a deficit of UGX.1,747,178,576 as shown in the table below.

Consequently, 3,002 Councillors in 36 HLGs were not/under paid by UGX.1,168,823,662 during the financial year under review as shown in **appendix 4 c.**

This has affected the political oversight role in monitoring the implementation of government programs at a local council level thus affecting service delivery.

The Accounting Officers attributed this to the increase in the number of councillors without a corresponding increase in funding as a result of MoFPED capping the IPF for which the entity has no control. The Accounting Officers further stated that the matter had been presented to MOFPED and MOLG for their action.

I advised MoFPED to provide sufficient funding to cater for the increased number of political leaders due to the creation of new administrative.

3.9 Disbursement of funds to OPM

I noted that MoFPED disbursed funds amounting to UGX.214,454,571,577 to OPM to undertake various projects in LGs such as DRDIP, PCA and support to micro groups instead of funding the HLGs directly. Details of the disbursements are in the table below;

Table 30: Disbursement of funds to OPM

Projects	Amount released - UGX	Amount spent - UGX	Unspent - UGX
DRDIP	211,983,309,284	198,556,306,121	13,427,003,163
Support to micro projects	2,471,262,293	2,269,711,970	201,550,293
Total	214,454,571,577	200,826,018,091	13,628,553,456

As a result, there have been challenges in implementing and monitoring the related service delivery activities. For instance, in the year under review, a sum of UGX.13,628,553,456 was returned to the consolidated fund because of failed implementation.

I further noted that there is always either a delay to re-vote the funds or the funds are not re-voted thus affecting the implementation of service delivery activities.

I have audited the implementation of these programs and a separate report will be issued and this will form part of the report on the consolidated financial statements of Local Government.

Currently, program monitoring is a responsibility of only OPM and yet they are thin on the ground. My interaction with PS MoLG indicated that there is need to establish a strong project coordination unit to effectively monitor and supervise government programs at local government.

I advised the PSST to consider sending the program funds directly to the implementing LGs.

3.10 Implementation of selected service delivery activities

Out of the LG expenditure of UGX.4,723,235,613,153 in the financial year 2021/2022, 49.9% was spent on employee costs which has been reported above as KAM and the balance was utilised in major interventions. I undertook a review of these interventions to assess the extent of service delivery;

1. Parish Development Model
2. Development Response to Displacement Impacts Project (DRDIP)
3. Micro Scale Irrigation Programme
4. Support to organized groups for improvement of people's livelihood
5. Operationalisation of new cities
6. Uganda Inter-Governmental Fiscal Transfers Reform Program
7. Uganda Support to Municipal Infrastructure Development Program (USMID-AF) – Refugee Hosting Districts
8. The Uganda Support to Municipal Infrastructure Development in Cities and Municipal Councils
9. Management of Royalties
10. Utilisation of the Discretionary Development Equalisation Grant (DDEG) – LRDP
11. Uganda Road Fund

3.11 Parish Development Model

The Government of Uganda over the years has implemented development programs geared towards improvement of incomes and welfare of all Ugandans and achieved some intended objectives. Despite the achievements, various challenges have manifested during the implementation of these programmes, including slow recovery of funds, poor financial literacy, and disintegration of funded groups, among others.

Despite these challenges, the Government of Uganda is implementing the Parish Development Model which is a Government strategy for wealth creation and employment generation at the Parish level as the lowest economic planning unit. It is expected to cover 10,594 parishes.

During the Financial Year 2021/2022 169 LGs had an approved total budget of UGX.175,429,879,581 for PDM activities, out of which, the entities received only UGX.108,857,715,367 (62%), leading to a shortfall of UGX.66,572,164,214 (38%) as shown in the table below.

The programme registered a number of achievements in some LGs including recruitment of Parish Chiefs to carry out the overall administration and management of a Parish unit in Local Government, and registration of SACCOs.

However, despite the above, there have been challenges in the implementation of PDM that indicate lack of Government preparedness in implementing the programme at the Local Government level as illustrated below and in **appendix 5 a and b.**

3.11.1 Guidance on the utilisation of the PDM funds

Guideline 3.6.4(i) of the Implementation Guidelines for Parish Development Model, 2021 bestows upon the PDM Secretariat the role of ensuring that guidelines and other instruments for operationalizing decentralized services under the PDM are issued before the commencement of the Financial Year.
My audit of the program implementation revealed the following;

- During the FY 2021/22 169 LGs received UGX.108,857,715,367 for implementation of PDM activities without guidance on how the funds should be utilised. The guidelines/directives on utilisation of the PDM funds were issued towards the end of the financial year after the funds had been released.

- My interaction with the LG Accounting Officers revealed that when the guidance was issued, they were in many instances contradicting. For instance, while the PDM secretariat guided that funds should go direct to PDM SACCO accounts in commercial banks, the PSST guided that the funds should be sent to the entity general fund account. While the PDM secretariat required that LGs procure gadgets and tools following the PPDA guidelines, PSST guided that funds for gadgets and tools be repurposed to the parish revolving fund.

The lack of clear guidance and conflicting directives affected program implementation thereby causing a number of challenges as listed below;

a) Repurposing of funds

I noted that UGX. 17,891,724,298 was repurposed from gadgets and tools, staff costs and administrative costs to the revolving fund in 146 LGs without authorisation contrary to Regulation 16(1) of the PFMR, 2016 that requires an Accounting Officer to request the Minister for approval to vary, within a vote, the amount of money allocated to the vote.

Therefore, the initially planned activities under gadgets and tools, staff costs and administrative costs were not be implemented.

The Accounting Officers attributed this to the late dissemination of the guidelines for the utilisation of the PDM funds and the directives from the PSST to repurpose funds for staff costs and gadgets and tools to the revolving fund.

I advised the PSST to ensure that repurposing of appropriated funds is done within the law.

b) Under funding of PDM SACCOs

Analysis of funds disbursed to SACCOs revealed that 8,703 SACCOs received varying amounts ranging from UGX.2,365,097 to UGX.17,812,103. I also noted that 1,502 SACCOs in 70 LGs did not receive any funding.

The funding variations were due to lack of accurate data on the number of parishes.

This may affect program implementation and attainment of objectives of wealth creation and employment generation at the Parish level.

The Accounting Officers attributed the failure to fund all SACCOs to shortfalls in releases.
I advised MoFPED to ensure that baseline data is collected by UBOS to inform the subsequent PDM disbursement and other decisions.

c) Payment of PDM SACCOs before registration

Guidance 16 by the PSST in the letter referenced EDP86/103/02 and dated 25th May 2022 required Accounting Officers to register PDM SACCOs on IFMS after duly registering them under the Cooperative Societies Act (as amended) and signing a Financing Agreement.

I noted that in 49 LGs, a total of UGX.29,523,564,220 for revolving funds was transferred to 3,214 SACCOs that were neither registered under the Cooperative Societies Act nor had signed Parish Revolving Fund (PRF) Financing Agreements.

This led to funding of ineligible SACCOs which negatively affected the objective of wealth creation and employment generation.

The Accounting Officers explained that this was done to avoid the sweep back of funds to the consolidated account. The Accounting Officers further explained that the process of registering SACCOs was ongoing.

I advised the MoLG (PDM secretariat) to ensure that Accounting Officers expedite the registration of PDM SACCOs and ensure that the PRF Financing Agreements are signed.

d) Failure to send funds directly to the PDM SACCO

Guideline 3.6.1(c) of the step-by-step guide for rolling out the PDM at the community level issued in May 2022 by the PDM secretariat requires that the funds should be channelled directly to beneficiary PDM SACCO's accounts.

Contrary to the above, I noted that funds amounting to UGX.79,214,076,265 were released by MoFPED to the District accounts instead of the beneficiary PDM SACCO accounts.

As a result, 5 LGs diverted a total of UGX.358,069,571 from the revolving fund to administrative activities without the PSST's guidance.

The Accounting Officers explained that the mandate to release funds lies with MoFPED for which they had no control.

I advised the PSST to ensure that funds are channelled directly to the PDM SACCOs in line with the guidance.

e) <u>Un-utilised funds on SACCO accounts</u>

I noted that a total of UGX.79,214,076,265 revolving funds paid to 8,703 SACCOs in 169 LGs remained idle on the SACCO bank accounts.

Failure to timely utilise disbursed funds delays the achievement of the PDM objectives of improving community livelihoods and will also compromise recovery of the advanced funds.

The Accounting Officers attributed the non-utilisation of the funds to the halting of PDM activities due to insufficient funds to commence the SACCO operations, delays to register SACCOs and lack of guidance on funds utilisation.

I advised the PDM Secretariat and MoFPED to resolve the implementation challenges so that the SACCO operations can commence.

f) <u>Irregularities in recruitment of parish chiefs</u>

These funds were meant for the recruitment and payment of salaries for the Parish Chiefs whose main role is to mobilize, sensitize and create awareness on PDM programs to the community, as well as coordinate and support implementation of PDM activities among others.

I noted irregularities in the recruitment of parish chiefs. For instance, in Butaleja DLG, 15 out of the 39 parish chiefs recruited, had forged academic documents, resulting in loss of government funds worth UGX.12,328,680 which the Accounting Officer had started recovering.

I advised the Accounting Officers to revoke the appointment letters of the affected persons and recover the paid funds. In addition, the matter should be forwarded to other government investigative agencies for follow up.

g) <u>Unaccounted for funds</u>

I noted that funds amounting to UGX.594,792,251 in 5 LGs relating to administrative costs, staff costs and gadgets and tools were not adequately supported with the requisite documentation.

The unaccounted for funds are likely to be mismanaged due to delayed accountability and there is risk that the funds may not have been utilised for the intended purposes.

The Accounting Officers attributed the failure to account to the ongoing program activities and delayed submission of accountabilities by the respective staff.

I advised MoLG to ensure that Accounting Officers adequately account for all the PDM funds utilised.

Conclusion

In a bid to address the challenges in the implementation of the PDM, Government through MoFPED should harmonise the issuance of guidelines and ensure all guidelines are issued through the PDM secretariat. Considering that the SACCOs have been funded, the PDM Secretariat should guide on funds utilisation to enable implementation of enterprise activities leading to wealth creation and employment.

3.12 Development Response to Displacement Impacts Project (DRDIP)

Uganda is Africa's largest refugee hosting country with over 1.5 million refugees and asylum-seekers. This has occasioned social, economic and environmental needs to the host communities and the displaced (refugees and returnees).

In response to these needs, the GoU, through the Office of the Prime Minister, implemented the Development Response to Displacement Impacts Project (DRDIP), aimed at improving access to basic social services, expanding economic opportunities and enhancing environmental management in the 15 districts.

Despite the achievements of the programme, such as increased earnings of vulnerable communities, improved infrastructures and provision of alternative energy sources among others, the overall implementation of the project has been slow with notable challenges.

During the FY 2021/22, 15 LGs received UGX.211,983,309,284 from Central Government to implement various activities under DRDIP. Below are my summary findings, details of which are included in the individual reports that have been issued separately;

3.12.1 Funding and Absorption

The approved budget allocation for DRDIP for the FY 2021/22 for the 15 districts was UGX.285,140,369,146, out of which, only UGX.211,983,309,284 (74%) was received, leading to a shortfall of UGX.73,157,059,862 (26%), as shown in the table below and **Appendix 6 a.**

Table 31: Funding and absorption of 7.2 Development Response to Displacement Impacts Project

SN	Purpose	Budgeted amount - UGX	Released amount by OPM - UGX	Utilised amount by the DLGs - UGX	Unutilised funds - UGX
1	Social and Economic Services Infrastructure	195,564,238,353	154,667,673,389	142,866,878,891	11,800,794,498
2	Sustainable Environmental Management	40,033,537,720	19,558,580,728	18,689,049,164	869,531,564
3	Livelihoods Program	39,530,477,364	30,230,194,334	29,784,194,334	446,000,000
4	DRDIP Operations	10,012,115,709	7,526,860,833	7,216,183,732	310,677,101
	Total	**285,140,369,146**	**211,983,309,284**	**198,556,306,121**	**13,427,003,163**

Out of the total receipts of UGX.211,983,309,284, only UGX.198,556,306,121 (94%) was spent, resulting in an unspent balance of UGX.13,427,003,163 (6%).

As a result of the failure to utilise all funds released, 46 subprojects in the 2 LGs were not funded, which affects the attainment of the program objective of providing support to the poor and vulnerable people in the refugee hosting areas.

The Accounting Officers explained that the mandate to release funds lies with the DRDIP secretariat at OPM.

I advised the PSST to release funds in accordance with the appropriation.

3.12.2 Delayed Implementation of subprojects for the FY 2021/22

I reviewed the DRDIP approved work plans, performance reports and undertook audit inspections to ascertain the status of implementation of the subprojects and compliance with the project guidelines. I made the following observations and the details are in **appendix 6 b to d**;

a) Infrastructure subprojects

UGX.142,866,878,891 was released by OPM and subsequently disbursed by the respective districts to 192 subprojects for construction, rehabilitation or expansion of basic social services such as education, human health facilities; and economic infrastructure such as roads and market structures. A review of the progress reports and interviews with the DRDIP liaison officer revealed the following;

- 182 subprojects that received UGX.135,411,714,542 in 15 districts had not commenced construction activities for which they were funded by the end of the financial year.

- Only 4 subprojects that received UGX.1,400,664,349 in Arua and Koboko DLGs were ongoing as at the close of the financial year.

- 6 subprojects that received UGX.6,054,500,000 in Kamwenge and Koboko DLGs had fully implemented the planned activities as at the close of the financial year.

The Accounting Officers attributed the delayed implementation of infrastructure subprojects to late release of funds, with most of the funds being received in the last quarter of the financial year.

b) Livelihoods Program

UGX.29,784,194,334 was released by OPM and subsequently disbursed by 13 districts to 668 subproject groups for small businesses, skills-based jobs, and service enterprises. A review of the progress reports and interviews with the DRDIP liaison officers revealed the following;

- 307 subprojects groups that received UGX.12,847,363,682 in 8 districts had not commenced as at the close of the financial year.

- 149 subprojects groups that received UGX.8,223,780,652 in 5 districts were ongoing as at the close of the financial year.

- 212 subprojects groups that received UGX.8,713,050,000 in Kamwenge, Isingiro and Obongi districts were fully implemented as at the close of the financial year.

The Accounting Officers attributed the delayed implementation of infrastructure subprojects to late release of funds, with most of the funds being received in the last quarter of the financial year.

c) Sustainable environmental management

By the close of the financial year, all the Sustainable Environmental Management activities had not commenced in all the 309 subprojects in 15 DLGs, yet a sum of UGX.19,703,894,013 was released by OPM.

The Accounting Officers attributed it to suspension of activities owing to an investigation by the Inspectorate of Government.

Due to the delayed commencement of the subprojects and suspension of sustainable environment management subprojects, UGX.161,993,299,642 was lying idle on the subprojects'/ subgroups' bank accounts as at 30th June 2022. Therefore, the program objective of providing services and support to the vulnerable communities may not be achieved.

I advise MoFPED to timely release funds to enable timely implementation of planned activities leading to attainment of program objectives.

3.12.3 Lack of environment and social management plans

Section 4.2 of the DRDIP Operation Manual, 2019 provides for an Environmental and Social Management Framework (ESMF). The ESMF provides for the identification of likely environmental and social impacts, development of environment and social management plans, identification of appropriate mitigation measures as well as methods of monitoring and reporting of mitigation implementation with a view of achieving a sustainable socio economic development.

I noted that 57 subprojects that received funding totalling UGX.12,285,464,249 in 5 districts lacked environment and social management plans. Details are in **appendix 6 e.**

This hinders the implementation of corrective action against negative environmental and social effects of the subprojects.

The Accounting Officers attributed the lack of the environmental and social management plans to the failure by Ministry of Works and Transport to conduct environmental assessment as per the DRDIP guidelines.

I advised Ministry of Works and Transport to expedite the environmental assessment process and produce the environmental and social management plans to inform the environmental mitigation activities.

3.12.4 Inspections of service delivery activities FYs 2019/20 and 2020/21

The FY2021/22 (year under review) activities were largely not implemented. I therefore undertook inspection of subprojects and subgroups funded in the FYs 2019/20 and 2020/21 and observed the following details of which are in **appendix f.**

- 85 infrastructure and sustainable environment subprojects were completed and were operational while 39 livelihood subgroups were ongoing at the time of audit.

- Of the 85 infrastructure and sustainable environment subprojects, 32 infrastructure subprojects worth UGX.11,447,182,034 had not been put to use by the communities, by the time of inspection. These subprojects included; Morta bridge in Yumbe had no access road, Out-Patients Departments, maternity wards, among others.

- 179 sustainable environment subprojects worth UGX.9,949,108,151 had stalled.

- 70 sustainable environmental management subprojects worth UGX.3,353,875,333 had not commenced due to ongoing investigations by the Inspectorate of Government.

Idle projects undermine the objective of the projects and deprive the community of the intended services/benefits.

Failure to put in use completed infrastructure subprojects, delays in implementation of subprojects and subgroups, and failure to complete the infrastructure subprojects was attributed to none appointment of contract managers. Indeed, I noted that 3 LGs did not appoint contract managers to aid in the implementation of the UGX.21,860,851,866 sub projects.

Similarly, the failure to put in use completed infrastructure subprojects, delays in implementation of subprojects and subgroups, and failure to complete the infrastructure subprojects was attributed to failure to undertake monitoring and supervision of the subprojects by the LGs and OPM. Indeed, I noted that M&E was not undertaken in 2 DLGs in the year under review because the sub projects had not yet been implemented.
The Accounting Officers explained that monitoring of subprojects and subgroups is being done by the implementing partners with limited support of the District staff.

I advised the OPM and Accounting Officers to ensure that adequate monitoring and supervision of the subprojects and subgroups. The Accounting Officers were further advised to expedite the implementation of all stalled activities.

3.12.5 Idle funds on completed subproject accounts

I reviewed the implementation of infrastructure subprojects funded in the FYs 2018/19, 2019/20 and 2020/21, and noted UGX.2,751,804,956 in 66 subprojects in 3 districts remained unutilised after completion of the planned subproject activities. These funds are lying idle in commercial bank accounts of the respective subprojects.

The Accounting Officers explained that this due to lack of specific guidance from OPM on how to manage the unutilised funds on subproject accounts.

I advised OPM to recover the unutilised funds and going forward, issue guidelines on the utilisation of the unspent funds.

3.12.6 Funding of non-existent subprojects

Three unapproved subprojects were supported with a total of UGX.2,777,500,000 in Lamwo DLG contrary to Section 5.6 of the DRDIP Operation Manual, 2019 requiring approval of all subproject plans/proposals by OPM.

I further inspected the purported subprojects and noted that they were non-existent, as detailed in the table below;

Table 32: Funding of non-existent subprojects

SN	Name of the subproject	Amount (UGX)	Audit remark
1.	Construction of Community Centre and Fencing at Palabek Gem Zone one Block 1.	1,212,000,000	• No documents availed in support of existence of the project. • Project does not exist in the DRDIP Management Information System (MIS). • UGX.800m was recovered from an individual, who had irregularly withdrawn funds from the subproject account between 9th November, 2021 and 30th April, 2022. The case was reported at Lamwo Police station SD Ref 11/04/05/2022.
2.	Design and construction of Sludge Drying Beds for Management of Feacal Matter plus 1km Access Road for Palabek Refugee settlement in Palabek Ogili Sub County.	1,010,000,000	• No documents availed in support of existence of the project. • Project does not exist in the DRDIP Management Information System (MIS).
3.	Construction of Dormitory at Paludah S.S.S, 1 block for boys and 1 block for girls and School fencing in Palabek Ogili Sub County.	555,500,000	• No documents availed in support of existence of the project. • Project does not exist in the DRDIP Management Information System (MIS).
	Total	**2,777,500,000**	

Funding of unapproved projects, led to the misappropriation of funds in the Construction of Community Centre and Fencing at Palabek Gem Zone one Block 1 subproject.

The Accounting Officer promised to institute an investigation into the transfer of funds for the design and construction of sludge drying beds at Palabek Refugee settlement in Palabek Ogili Sub County and construction of dormitory at Paludah S.S.S. The Accounting Officer further explained that the funding of the construction of community centre and fencing at Palabek Gem Zone one Block 1 is under investigation by IGG.

I advised the Accounting Officer to expedite the recovery of funds and consult the Accountant General on where the funds should be remitted.

3.12.7 Procurement irregularities

I noted a number of procurement irregularities in the implementation of DRDIP program which are illustrated below;

- 99 procurements in the districts of Arua, Terego and Obongi worth UGX.4,646,434,329 were not cleared by the subproject Community Project Management Committees and Community Procurement Committees. These procurements were not undertaken by the communities but rather by OPM and therefore the selected contractors were rejected.

- 1 procurement worth UGX.250,000,000 in Yumbe DLG was awarded to a contractor who lacked capacity as required by the procurement selection criteria. Subsequently, the contractor abandoned the works.

The Accounting Officers explained that the procurement of the service providers were undertaken by OPM without the involvement of the communities.

I advised OPM to harmonise the DRDIP guidelines with the procurement laws to guide the process of procuring contractors.

3.13 Implementation of Micro Scale Irrigation Programme

The Government of Uganda is implementing the micro scale irrigation programme in 47 LGs with the aim of supporting smallholder farmers transition from subsistence to commercial agriculture through the provision of irrigation equipment.

The programme objectives include; building awareness of farmers on the importance of irrigation equipment in commercial farming, and provision of irrigation equipment to farmers to promote regular production output.

During the FY 2021/22, 40 LGs received UGX.49,038,618,192 from Central Government to implement various activities under micro scale irrigation.

I designed procedures to establish whether the farmers were properly selected, funds budgeted and transferred to support individual farmers to purchase and use micro-scale irrigation equipment in accordance with the program guidelines. Below are my observations;

3.13.1 Budget allocation of programme expenditure by category

Paragraph 3.1 of the grant, budget and implementation guidelines-Micro Scale Irrigation states that the Micro Scale Irrigation Grant will fund two types of expenditure categories: (i) capital development (micro scale irrigation equipment) (75%) and (ii) complementary services (25%).

I noted, 8 LGs allocated 71% for capital development and 29% for complementary services contrary to the guidelines that require the allocation to be 75% and 25% respectively as shown in the table below and **appendix 7 a.**

Table 33: Budget allocation of programme expenditure by category

Item	Revised budget - UGX	% Allocation of the total budget	Variance (%)
Capital Development (micro scale irrigation equipment) (75%)	4,840,551,221	71%	(4%)
Complementary services (25%)	1,963,248,498	29%	4%
Total	**6,803,799,719**	**100%**	**0%**

Failure to budget according to the set thresholds led to diversion of funds to non-priority activities thus hindering achievement of intended program objectives.

The Accounting Officer explained that the mandate of determine IPFs and release of funds lies with MoFPED for which we have no control.

I advised MoFPED to allocate funds in accordance with the guidelines.

3.13.2 Slow program implementation

I noted that 40 LGs budgeted to receive UGX.50,081,789,451 for micro scale irrigation program, out of which UGX.49,038,618,192 (98%) was warranted resulting into a shortfall of UGX.1,043,171,259 (2%). Out of the total receipts of UGX.49,038,618,192, UGX.20,723,330,043 (42%) was spent resulting into unutilised funds of UGX.28,315,288,149.

Included in the UGX.49,038,618,192 is UGX.36,501,761,177 released to 40 LGs to procure 3,681 micro scale irrigation equipment for farmers; However, only UGX.9,662,606,574 (26%) was utilised to procure irrigation equipment for 479 (13%) farmers. Refer to the table below:

Table 34: Slow Program implementation

Item	Revised budget - UGX	Warrants/ Release - UGX	Total expenditure - UGX	Unspent - UGX	% absorption
Capital Development (micro scale irrigation equipment) (75%)	37,690,186,415	36,501,761,177	9,662,606,574	26,839,154,603	26
Complementary services (25%)	12,391,603,036	12,536,857,015	11,060,723,469	1,476,133,546	88
Total	**50,081,789,451**	**49,038,618,192**	**20,723,330,043**	**28,315,288,149**	**42**

I reviewed the status of implementation of the Micro-Scale Irrigation-Development under Production and Marketing and noted slow progress as indicated below and in **appendix 7 b and 7 c;**

- 10 LGs did not utilise any of the funds warranted for procurement of irrigation equipment of UGX.9,778,756,031. These included; Luuka, Sironko, Kyotera, Tororo, Bududa, Kamuli, Mubende, Manafwa, Kapchorwa and Ntungamo DLGs.

- 23 LGs planned and sensitised 31,487 farmers to educate them on the benefits of irrigation and the importance of co-funding. I also noted that 16 LGs did not plan to sensitise farmers despite allocating funds for procurement irrigation equipment.

- Out of the total of farmers who were sensitised, only 8,781 farmers expressed interest to uptake the irrigation equipment, out of which, only 642 co-funded UGX.2,212,604,768 to receive equipment worth UGX.9,393,753,304.

- 479 farmers who co-funded received irrigation equipment. 190 farmers did not receive irrigation equipment despite paying the co-funding worth UGX.168,172,295.

- 27 farmers received irrigation equipment worth UGX.680,694,598 without paying co-funding while some farmers received irrigation equipment worth UGX.329,281,703 with partial co-funding. This was contrary to the program guideline and therefore irregular.

The slow implementation exposes the farmers to adverse effects caused by the changes in weather thus affecting the crop yields.

The Accounting Officers attributed the under absorption to program design challenges which include: inefficient training and sensitisation mechanism, high co-funding rates and high cost of the irrigation equipment compared to the market prices.

I advised MAAIF to consider redesigning the program with the view of making the co-funding affordable for small scale farmers.

3.13.3 Inspections of service delivery

I carried out inspections in 28 LGs where irrigation equipment worth UGX.8,171,521,507 to 479 farmers was procured and delivered to ascertain whether the irrigation equipment was in use and observed that a number of equipment were not operational because of the following:

- The concrete stands to hold the tanks were incomplete and therefore the water tanks that support the irrigation equipment could not be installed.

- The water sources were shallow and therefore the water pump could not pump adequate water need for the gardens.

- The water tank stands were not of the required height to enable adequate flow of water.

- The contractor had delivered under capacity tanks than required 10,000 litre water tanks and therefore underutilising the irrigation equipment.

- The drag hose pipes were not yet been fitted to enable the flow of water to the garden hence making the equipment idle.

The challenges in the functionality of the irrigation equipment were attributed to the failure by LGs to carry out monitoring and supervision of the installation of the equipment supplied to farmers. This was due to inadequate resources to the District Production Departments that undertake the supervision of the irrigation activities.

I advised Government through MAAIF to ensure that Accounting Officers have adequate resources to undertake supervision activities.

3.14 Support to organised groups for improvement of people's livelihood

Support to Micro Projects is a Government of Uganda programme which is part of the Peace, Recovery and Development Plan 2 (PRDP 2) in Bunyoro, Teso and Luwero-Rwenzori regions. The program aims at enhancing Household Incomes through mobilizing communities for social economic development and peace building to spur economic recovery of the supported communities.

However, previous OAG audits have highlighted challenges in the management and implementation of the grant. These challenges include: lack of accountability, Inadequate monitoring, and exclusion of district technical teams in the appraisal and approval of supported groups among others.

It is against this background that I audited the implementation of Micro Projects to establish whether the funds released to the groups were utilized in accordance with the guidelines.

During the FY 2021/22, 24 LGs received UGX.2,471,262,293 from Central Government to fund Micro Projects.

Below is a summary of my findings, details of which are included in individual reports that have been issued separately;

A. Under funding of micro projects

Guideline 6.0 of the Grants to support Household Income Enhancement Projects under Special Programmes 2020 requires the Office of the Prime Minister OPM to give Indicative Planning Figures (IPFs) to LGs in advance to enable the entities adequate planning for the micro projects.

I noted that 24 LGs budgeted to receive UGX.5,429,565,605 to fund 543 micro projects. However, only UGX.2,471,262,293 (46%) was received to fund 318 (58%) micro projects leaving the 225 micro projects unfunded. Details are in **appendix 8 a**.

I further noted that out of UGX.2,471,262,293 received, 6 LGs failed to absorb UGX.201,550,293 (8%). The under absorption hindered the achievement of the program objective.

This was attributed to failure by OPM to provide appropriate IPFs based on the number micro projects planned for by the LGs.

The Accounting Officers explained that the Indicative Planning Figures are issued by MoFPED for which they had no control while under absorption was attributed to delay in release of funds by MoFPED.

I advised the MoFPED to timely fund budgets as appropriated by Parliament.

B. Delayed disbursement of funds

Guideline 11.2 (e and f) of the Grants to support Household Income Enhancement Projects under Special Programmes, 2020 requires the district to disburse/transfer funds to the respective beneficiary groups/institution and ensure proper and timely accountability of Programme funds released to the beneficiary groups.

I noted that OPM delayed to disburse funds to the 20 LGs. As a result, the LGs also delayed to disburse UGX.836,470,000 to the 168 groups with delays of up to 9 months. Details are in **appendix 8 a**.

As a result of the delayed disbursement, the activity implementation at the group level had not started thus the program objective of enhancing household incomes was not achieved.

The Accounting Officers attributed this to the delays in execution of the appraisal and verification processes of target groups.

I advise OPM to always provide Indicative planning figures in advance to enable the entities adequately plan for the program.

C. Unaccounted for funds

I noted that in 7 LGs failed to account for UGX.248,510,000 meant to support the implementation of micro projects in community based groups. Details are in **appendix 8 a**.

This was attributed to failure by management to appraise and enforce the internal controls regarding accountability for funds advanced for micro projects activities.

I advised OPM to ensure that the Accounting Officers adequately account for the funds released for the support to the micro projects.

D. Failure to maintain a beneficiary data base

Guideline (7.3) of the Guidelines for Grants to support Household Income Enhancement Projects under Special Programmes 2020 states that the group must not have benefited from other Government program in the last two years.

I noted that 5 LGs did not maintain a data base of beneficiaries contrary to grant guideline 7.3. I further noted that out of 19 LGs who maintained a data base of beneficiaries, 17 LGs maintained a manual data base while 2 LGs maintained electronic data base as shown in the table below.

Table 35: status of beneficiary databases

SN	Category	Number of LGs	Electronic	Manual
1	Maintained a data base	19	2	17
2	Did not maintain	5	0	0
	Total	24	2	17

I could not rule out the possibility of multiple government funding to groups.

The Accounting Officer explained that the Accountant General had recently introduced a policy of e-registration for all groups which would resolve the current challenge.

I advised the Accountant General to expedite the introduction and rollout of the e-registration for all groups.

E. Funding of groups above the maximum threshold

Guideline 5.6 for Grants to support Household Income Enhancement Projects under Special Programmes issued on September 2020 requires funding to groups of people and progressive individuals to be between 1,000,000/= and 10,000,000/= depending on the nature of the project and group numbers. In some special cases with the express authority of the Political Leadership, the grant may be increased after evaluation of the need.

I noted that 33 groups in 5 LGs were supported beyond the maximum funding threshold resulting into an excess payment of UGX.221,000,000 without authorization from political leadership as required by the grant guidelines. Details are in **appendix 8 b.**

This limited the number of groups that should have benefited from the grant and contravenes the limits set in the guideline.

The Accounting Officers explained that these groups received funding directly form OPM for which they had no control.

I advised OPM to consider funding groups through the district administration and in accordance with the set thresholds.

F. Physical inspection of supported micro projects

Guideline 8.3 requires OPM to carry out desk appraisal and thereafter conduct field verification in collaboration with the Local Governments of the funded groups or individuals.

I conducted inspection of the projects to ascertain whether the projects existed and implementation was in line with the guidelines. I made the following observations details of which are in **appendix 8 b**.

- I observed that 2 micro projects in Nakasongola DLG funded with UGX.25,000,000 were non-existent groups.
- I also noted that 18 groups in 10 LGs implemented un-approved activities worth UGX.104,320,000.

This resulted in a diversion of funds and hindered the Government's objective of enhancing Household Incomes.

The Accounting Officers explained that the funds that were released to the groups were less than the initial IPFs as determined by OPM. This resulted into diversion of funds to undertake affordable enterprise activities on the premise that the funds available were insufficient.

I advised OPM to provide sufficient funding for approved group activities.

3.15 Operationalization of new cities

On 28th April, 2020, Parliament approved the creation of 15 new cities in Uganda, in line with Article 179 (1) (A) of the Constitution out of which 10 cities were operationalized.

The creation of these Cities brought on board 42 sub-counties, five (5) Town Council and merged 28 Municipality Divisions into 20 new City Divisions to form the ten (10) new Cities.

The creation was meant to attract good quality leaders, facilitate improved delivery of services and meet the expectations of the Citizens.

During the audit of Financial Year 2020/21, a number of challenges were identified including; funding the operations of the new cities, restructuring of the staff establishment following annexation of lower local governments, lack of guidance from the Minister of Local Government on equitable sharing of assets among affected LGs, and transfer of liabilities.
During the Financial Year 2021/22, I noted that the challenges have persisted despite my earlier recommendations. In addition, I noted that there are challenges in financial reporting.

During the FY 2021/22, 10 Cities received UGX.427,337,108,536 from Central Government to fund the operations of Cities. Below is a summary of my findings, details of which are included in individual reports that have been issued separately and in **appendix 9** of this report;

3.15.1 Un utilised funds

I noted that out of the total receipts of UGX.427,337,108,536 for the financial year, UGX.371,283,149,009 (87%) was spent by the Cities resulting in an unspent balance of UGX.41,220,515,164 (13%). The unspent warrants remained utilised at the end of the financial year.

The Accounting Officers explained that the most of the unabsorbed funds were for USMID project which were affected by delay in design reviews by the consultants hired by the USMID secretariat in the Ministry of Lands Housing and Urban Development.

I advised the MoLHUD to expedite the completion of the USIMD project designs.

3.15.2 Revenue sharing

Section 85(1) of the Local Governments Act, CAP 243, (as amended) requires that the City and Municipal Council's revenue shall be collected by the Division Councils, and a Division Council shall retain 50 percent of all the revenue it collects in its area of jurisdiction and remit 50 percent to the City or Municipal Council.

Paragraph 78 of the Budget Execution Circular (BEC) for the FY 2021/2022, issued by the PS/ST reminded the Cities to utilize 50 percent of the total revenues collected at the centre and the remaining 50 percent to be utilized at the Divisions.

Out of the budgeted local revenue collections of UGX.37,963,421,372, 8 Cities collected UGX.20,061,189,792 out of which UGX.10,030,594,896 was supposed to be remitted to the Divisions. It was however observed that only UGX.9,621,037,504 (96%) was remitted leading to under remittance of UGX.409,557,393 (4%). Under remittance of shared revenue affected implementation of planned activities at the division level.

The Accounting Officers attributed this to funding challenges which forced the cities to utilise the funds at the Headquarters.

I advised MoLG and MoFPED to ensure that the Accounting Officers always comply with the requirement of the Local Governments Act and Guidance of the PS/ST with regards to revenue sharing.

3.15.3 Delayed implementation of the approved City structure

According to the Guidelines for the implementation of the City structures, the Cabinet under minute 21 (CT 2022) approved the recommended mandate, strategic objectives, functions, staff structures and proposed wage requirements for the new Cities.

Guideline 5.6 of these implementation guidelines require City Councils to adopt the customised structure, implement the structure in accordance with the implementation guideline and secure funding for new structure in accordance with Local Government Financial and Accounting Regulations.

I noted that all the cities had not implemented the new approved City structure.

Consequently, these cities have not been able to fill the staffing gaps which has greatly demoralized employees since most of them are in acting capacity thus affecting the delivery of services.

The Accounting Officers explained that the Cities were yet to receive a validation report from MoPs to be able to implement the staff establishment.

I advised Government through MoPS to expedite the validation exercise to enable recruitment of staff.

3.15.4 Transfer of assets and liabilities

Section 188 of the Local Governments Act CAP 243, (as amended) provides that at the creation of a new Local Government unit, the Minister shall ensure the equitable sharing of property between the original and new Local Governments.

In a letter dated October 21st 2021, the Attorney General guided all Districts to establish their headquarters outside the Cities' jurisdiction. The immovable assets will naturally pass on to the Cities while movable assets should equitably be shared between the LGs and the New Cities as the Minister shall advise in accordance with Section 188 of the Local Government Act.

From my review of the financial statements, asset registers, board of survey reports and interview with management, I made the following observations;

a) Lack of guidance on property sharing

I noted that the Minister had not issued guidance on the equitable sharing of movable assets contrary to Section 188 of the Local Governments Act. Consequently, the assets of LGs had neither been transferred nor disclosed in the financial statements of the Cities.

Therefore, the financial statements of the Cities do not reflect the correct financial position at the year end and the assets could be misappropriated during this transitional period.

The Accounting Officers explained that this was a challenge for them in the absence of guidelines from the Minister responsible for Local Government.

My interaction with MoLG revealed that there challenges in developing guidelines and regulations because the earlier guidance and regulations issued by the Minister of Local government where challenged in courts of law and Parliament. MoLG indicated that they were in the process of amending the Local Government Act.

I advised Government through MoLG to expedite the issuance of property sharing guidelines to streamline the management and use of these properties.

b) Failure to hand over immovable property

I noted that the DLGs from which the 10 Cities were carved have not released immovable property such as administration blocks, land and other assets from sub-counties and divisions that were annexed contrary to guidance of the Attorney General.

This has created conflicts that have affected the operations of the Cities thus affecting service delivery.

The Accounting Officers acknowledged the observation and attributed it to lack of guidelines from the Minister responsible for Local Government.

Government through MoLG should expedite the issuance of property sharing guidelines to streamline the management and use of these properties.

c) Non-disclosure of liabilities

I noted that there were liabilities in 5 Cities amounting to UGX.1,763,698,264 resulting from the merger of 75 LLGs. These liabilities were not disclosed in the entities' financial statements as shown in the table below.

Table 36: Non-disclosure of liabilities

SN	City	Amount (UGX)
1.	Jinja	1,320,853,586
2.	Mbarara	187,992,208
3.	Mbale	75,946,748
4.	Soroti	12,300,210
5.	Fort portal	166,605,512
	Total	1,763,698,264

I further noted that Hoima, Lira, Masaka and Arua cities had not reconciled the position of liabilities as at the close of the financial year due to insufficient information.

Delayed settlement of these obligations will lead to litigation thus a loss to Government through court fines.

The Accounting Officers explained that the liabilities for the Municipal Council were taken over by the Cities and are being settled as and when the funds are made available.

During my interaction with the Accountant General indicated that the Office of the Accountant General is yet to provide guidance on the presentation and disclosure of liabilities.

I advised Government through the MoFPED to ensure that Accounting Officer disclose these arrears in the financial statements and budget for them accordingly.

3.15.5 Implementation Challenges

I noted a number of challenges regarding operationalization of the Cities. These have been summarised in below;

- Failure to fund operations. The cities did not receive any additional grants except for increase in wage to cater for salaries of annexed staff.
- Limited Office space and inadequate Office Equipment.

Inadequate funding hinders implementation of the Cities' mandate.

The Accounting Officers explained that the challenge of sharing of assets between the District and City had caused inadequate office accommodation.

I advised MoFPED to ensure that budgeted funds are released to the cities. I also advised the MoLG/ MoFPED to engage development partners for an increase in funding.

Conclusion

In the bid to streamline the operationalisation of new cities, there is need for Ministry of Local Government to fast track the amendment of the Local Governments Act.

3.16 Implementation of Uganda Intergovernmental Fiscal Transfers (UGIFT)

During the Financial years 2018/2019, 2019/2020, and 2020/2021 Government released UGX.81,640,150,547 and contracted firms to construction Seed school and Health centres in 43 HLGs.

Over the years the UGIFT program has faced implementation challenges and therefore that projects have either stalled, remained incomplete or have been abandoned raising stake holders' concerns.

Consequently, during the financial year 2021/2022, I sampled 41 projects in Education and 58 Health in 43 HLGs to assess the extent of project implementation. I made the following observation;

3.16.1 Failure to absorb project funds

I noted that a sample of 39 projects in Education and 51 projects failed to absorb funds availed to them form implementation of activities and as a result a total of UGX.48,596,056,121 remained on projects accounts.

I noted that in 43 HLGs, out of the total receipts of UGX.81,640,150,547, UGX.33,044,094,426 was spent representing absorption level of 40%. I further noted there were delays in procurement processes in 40 HLGs which delayed the commencement of works. Details are in **appendix 10 a**.

Under absorption of funds limits the implementation of planned activities thus affecting service delivery.
The Accounting Officer explained that there was delayed procurement of the contractors as well as delayed release of funds.

I advised the Accounting Officer to address the bottle necks that impede on the implementation of activities to avoid funds being swept back.

3.16.2 Delayed progress of works/constructions

I noted slow progress and non-commencement of works in 29 projects with budget costs UGX.21,617,416,824 in 24 HLGs. Details are in **appendix 10 b.**

Of the delayed 29 projects, there were 2 abandoned projects in 2 HLGs.

A comparison of the expected dates of completion of works and progress at the time of audit inspection revealed delays in works ranging from 1 to 42 months.

As a consequence, the anticipated objective of service delivery to the communities was not achieved. In addition, in order to complete the project, more time will be required to re-tender the works causing extra delays to deliver services to the community.

The Accounting Officers attributed delayed completion of works to weaknesses in contract supervision, limited capacity of contractors in terms of equipment, finance and human resources as well as the effects of Covid-19 restrictions that curtailed mobilisation of equipment, materials and manpower.
I informed the Accounting Officer that the matter will be brought to the attention of the relevant authorities.

3.16.3 Payments to UPDF Engineers Brigade for Construction Works

The MoH and MoLG signed a MoU on 5th November, 2021 with the Ministry of Defence & Veterans Affairs (MoDVA) to undertake construction of Health facilities using the UPDF Engineers Brigade.

To operationalise the arrangement, the LGs were also required to sign implementation agreements/MoUs with the Engineers Brigade, in which;

- The LGs were to advance 30% funds for the total project cost to the Engineers Brigade.
- Payments to the Engineers Brigade should be supported by certification of previous works by the LG and requisitions for subsequent works done as agreed in the drawings, price schedule and BoQs.
- The Engineers Brigade submits a Project Implementation Schedule to Project Management Teams of the LGs prior to commencement of works, to enable progress monitoring.

During my audit, I noted the following;

a) Funds advanced

88 projects in the LGs worth UGX.14,901,441,747 were awarded to the Engineers Brigade, of which UGX.12,168,409,694 (82%) had been advanced by year end, contrary to the requirement of advancing 30% of the contract sum. The Accounting Officers attributed it to the guidance by the PS MoH to release all funds meant for the construction of UgIFT projects to avoid funds being returned to the consolidated fund.

By the time of writing this report (December 2022) only UGX.6,819,552,726 (56%) had been released by the Brigade for project implementation with a balance of UGX.5,348,856,968 remaining unutilised.

I noted that funds advances were taken as transfers and expensed in the statements of financial performance instead of recognizing them as receivables in the statements of financial position, thus misstating the entities' surplus/deficit for the year and thus the closing net financial worth.

Delays in utilization of advanced funds led to delayed completion of projects thus affecting timely delivery service to the communities.

b) Status of Projects

According to Status report (30 November 2022) on MoLG projects by the Engineers brigade, the physical progress of works for 88 projects was at 47%, as detailed in **Appendix 10 c.**

My inspection of 81 (92%) projects worth UGX14,744,224,567 revealed that works were still ongoing, while 7 projects in Namutumba DLG worth UGX.157,217,180 had not commenced because land had not been handed over to the Engineers Brigade.

Accounting Officers attributed the delayed commencement of construction works to lack of capacity by the Engineers Brigade to implement all LG projects.

I advise Government to ensure that in future timely instructions are communicated to LGs to enable implementation of Government projects. Meanwhile the stalled projects should be started and expedited.

3.16.4 Uganda Support to Municipal Infrastructure Development Program (USMID-AF) – Refugee Hosting Districts

The Uganda Support to Municipal Infrastructure Development Program (USMID-AF) is a 5 year program being implemented by the Government of Uganda, through the Ministry of Lands, Housing and Urban Development (MoLHUD), with the aim of enhancing service delivery through improved local infrastructure in 11 Local Governments (LGs) hosting refugees effective Financial Year 2018/2019.

With the Financial Year 2021/22 being its fourth year of implementation, there has been a notable delay in the commencement of the infrastructure projects in the beneficiary Districts.

During the FY2021/22, MoLHUD transferred UGX.50,119,497,453 to the 11 implementing LGs. I audited the implementation of the program to establish the status of implementation and below is a summary of my findings, details of which are included in individual reports that have been issued separately;

A. Funding and Absorption

I reviewed the approved USMID-AF budget allocation for the Financial Year 2021/2022 and noted that 11 entities had approved total budgets of UGX.54,254,412,669, out of which, only UGX.50,119,497,453 (92%) was received, leading to a shortfall of UGX.4,134,915,216 (8%) as shown in the **table below and Appendix 11 a.**

Table 37: Funding and absorption of USMID-AF

SN	Purpose	Budgeted amount - UGX	Released amount - UGX	Underfunding - UGX	Utilised Warrants - UGX	Unutilised Warrants - UGX
1	Rehabilitation & Construction of infrastructure investments	51,181,725,732	47,483,614,440	3,698,111,292	7,387,708,067	40,095,906,373
2	USMID-AF Operations	3,072,686,937	2,635,883,013	436,803,924	901,629,009	1,734,254,004
	Total	**54,254,412,669**	**50,119,497,453**	**4,134,915,216**	**8,289,337,076**	**41,830,160,377**

As a result of the shortfalls in releases, funds available for implementation of USMID-AF activities were not sufficient to meet the originally planned activity targets.

In addition, out of the total receipts for the financial year of UGX.50,119,497,453, only UGX.8,195,395,478 (16%) was utilised by the 11 HLGs resulting in an unutilised balance of UGX.41,924,101,975 (84%). Consequently, 31 funded projects were not implemented while 22 funded projects were partially implemented.

The Accounting Officers attributed the shortfalls to the fact that the funds are released at the discretion of the USMID-AF secretariat at MoLHUD. The Accounting Officers also attributed the under absorption of funds to the delayed procurement processes owing to the delayed dissemination of approved project designs by the USMID-AF Secretariat at the MoLHUD.

I advised Government through the MoLHUD to ensure that returned funds are revoted for the implementation of planned activities by the Accounting Officers.

B. Delayed Implementation of Infrastructure Investments

I reviewed the USMID-AF approved work plans, performance reports and carried out physical inspections to ascertain the status of implementation of the funded projects and made the following observations;

- During F/Y 2020/2021, 8 Districts did not implement 46 infrastructure projects funded at a total of UGX.60,611,012,948 **Appendix 11 b refers.**

- During F/Y 2021/22, 7 Districts partially implemented 22 infrastructure projects funded at a total of UGX.26,126,296,470. **Appendix 11 b refers.** Further, 4 Districts did not implement 25 infrastructure projects despite receiving funding totalling UGX.21,387,083,470. **Appendix 11 b refers.**

The Accounting Officers attributed this to the delay by the USMID-AF Secretariat/ MoLHUD to avail the districts with approved infrastructure project designs and implementation guidelines.

The unspent balances were returned to the Consolidated Fund and thus the program objective of ensuring enhanced service delivery through improved local infrastructure was not achieved.
I advised Government through the MoLHUD to ensure that infrastructure project designs and implementation guidelines are issued to Accounting Officers timely to ensure the implementation of planned activities. I further advised the MoLHUD to ensure that returned funds are revoted for the implementation of planned activities by the Accounting Officers.

C. Mismatch between USMID work plans and activities implemented

Article 4 (a) of the Program Participating Agreement requires the Accounting Officer to prepare work plans and budgets as required under the Local Governments Act (LGA) Cap 243, Public Finance Management Act (PFMA), 2015, Public Procurement and Disposal of Public Assets (PPDA), 2006, and other applicable laws and regulations.

UGX.50,119,497,453 meant for the implementation of 47 infrastructure projects in 11 LGs were included under Discretionary Development Equalization Grants and not directly linked to the program, contrary to Article 4 (a) of the Program Participating Agreement.

Failure to directly link planned activities to the program may lead to diversion of funds to unplanned activities thus affecting the achievement of the intended program objectives.

The Accounting Officers attributed the anomaly to the guidance received from the Ministry to plan for the USMID-AF activities under Central Government Transfers.

I advised the MoFPED and MoLHUD to instruct Accounting Officers to ensure that USMID-AF funded activities are directly linked to the program and thus identifiable in the district budget.

D. Failure to maintain separate bank accounts for USMID-AF program funds

Article 4 (e) of the Program Participating Agreement requires the Accounting Officer to ensure that a separate Program Bank Account is opened through which program funds are managed. Article 4 (p) of the Program Participating Agreement requires the Accounting Officer to ensure that proceeds of the grant and any interest earned are used exclusively to fund eligible program activities.

I noted that the beneficiary LGs did not maintain separate bank accounts for the USMID-AF program funds, contrary to Article 4 (e) of the Program Participating Agreement.

The Accounting Officers explained that the funds were managed through the districts' TSA accounts held in Bank of Uganda in accordance with Section 24.6 of the Treasury Instructions.
Failure to maintain a separate bank account for USMID-AF resulted in failure to earn interest revenue from unutilised program funds. Failure to maintain a separate bank account may also result in comingling of funds hence exposing them to diversion.

I advised the Government through MoFPED and MoLHUD to harmonise the requirement for opening a separate bank account and where necessary, ensure that the Accounting Officers open and maintain separate bank accounts for USMID-AF funds in accordance with the program agreement.

3.17 The Uganda Support to Municipal Infrastructure Development in Cities and Municipal Councils

The Ministry of Lands, Housing and Urban Development (MoLHUD) is implementing the Uganda Support to Municipal Infrastructure Development (USMID) Program with the aim of improving urban service delivery in 7 Cities and four Municipal Councils.

During the FY 2021/22, the 11 beneficiary urban councils received UGX.156,321,511,324 from Central Government to implement various activities under USMID. Below is a summary of my findings, details of which are included in individual reports that have been issued separately;

3.17.1 Funding and absorption of funds

I reviewed the approved USMID allocation for the Financial Year 2021/2022 and noted that 11 Municipal Councils received UGX.156,321,511,324 as budgeted representing 100% revenue performance.

Out of the total receipts of UGX.156,321,511,324, only UGX.124,895,998,528 (80%) was spent resulting in an unspent balance of UGX.31,425,512,796 (20%) as shown in the table below.

Table 38: Funding and absorption of USMID

Year 2021/22					
Description	**Approved Budget (A) (UGX)**	**Release (B) (UGX)**	**Expenditure (C) (UGX)**	**Unspent (B-C) (UGX)**	**% absorption**
Development grant	156,321,511,324	156,321,511,324	124,895,998,528	31,425,512,796	80

Under absorption of released funds resulted in non-implementation of planned activities. For example, 8 infrastructure projects worth UGX.12,832,857,565 in Hoima City were not completed.

The Accounting Officers attributed this to delayed procurement of contractors by Ministry of lands, Housing and Urban Development as well as delays in design review by the contractor.

I advised Government through the MoLHUD to ensure that in future, contractual designs are planned early to avoid delays. In the meantime, the Ministry should ensure that Accounting Officers rollover the unimplemented activities to the subsequent period.

3.17.2 Unreleased previous year committed funds

Section 17(1) of the Public Finance Management Act, 2015 stipulates that every appropriation by Parliament shall expire and cease to have any effect at the close of the financial year for which it is made. Furthermore, Section 17 (2) of the same Act stipulates that "A vote that does not expend money that was appropriated to the vote for the financial year shall at the close of the financial year repay the money to the Consolidated Fund."

Section 17(3) of the same Act states that, "A vote that repays money under subsection (2) shall revise its annual work plan, procurement plan and recruitment plan to take into account the unexpended money and submit them as part of the Budget for the preceding year".

I noted that unspent balance at the end of financial year 2020/2021 amounting to UGX.44,708,174,471 belonging to four Municipal Councils was not re-voted. The funds were meant for implementation of the infrastructure development activities that were not fully implemented in the FY 2020/2021. Details are in the table below and in **Appendix 12.**

Table 39: unreleased previous year committed funds

SN	Entity	Unspent balance FY. 2020/2021	Amount re-voted FY 2021/2022	Amount un-re-voted
1	Jinja	1,714,473,110	-	1,714,473,110
2	Masaka	19,529,858,900	14,445,481,454	5,084,377,446
3	Mubende	26,879,987,744	19,123,795,715	7,756,192,029
4	Hoima	30,153,131,886	-	30,153,131,886
	Total	**78,277,451,640**	**33,569,277,169**	**44,708,174,471**

Consequently, the activities for the current year were affected.

The Accounting Officers explained that the mandate to re-vote funds lies with MoFPED for which they do not have control.

I advised the MoFPED to ensure that the unutilised funds are re-voted to the Cities and Municipal councils for implementation of planned activities.

3.18 Management of Royalties

Below are the brief highlights of my findings, from the audit of management of Royalties in Busia District Local Government, the details of which are in my report to Parliament for the financial year ended 30th June 2022.

3.18.1 Lack of data regarding the volume and value of minerals mined

Section 98(1) of the mining Act, 2003 states that subject to section 100 of the Act, all minerals obtained or mined in the course of prospecting, exploration, mining or mineral beneficiation operations shall be subject to the payment of royalties on the gross value of the minerals based on the prevailing market price of the minerals at such rates as shall be prescribed.

I noted that the District lacked records regarding the volume and value of minerals mined by the various mining parties (Companies, individuals and Associations) in the District.

The District was also unable to access data on periodic returns to MEMD regarding volume and value of minerals mined by the companies, either from MEMD or mining parties.

In the absence of this information, management cannot ascertain the amount of royalties due to the District, which affected its planning and budgeting processes and thus the District is unable to interrogate any under-remittance of royalties to the District, which in turn negatively affects service delivery.

I advised the Accounting Officer to engage MEMD to establish mechanisms of accessing periodic data on volume and value of minerals mined in the District so as to be able to establish and thus demand for what is rightfully due to it.

3.18.2 Lack of a Memorandum of Understanding (MoU) between District and MEMD

Good practice requires a memorandum of understanding (MoU) between major parties in the mining industry spelling out the rights and obligations of each party, mechanism for dispute resolutions etc. It communicates the mutually accepted objectives and expectations of all the parties involved.

I however noted that there was no MoU between the District and MEMD which ought to operationalize the relationship regarding mining activities, monitoring, inspection of mining sites, sharing of information and records.

This renders the District a dormant stakeholder in the mining process and as a result, the Local Government is only at the receiving end of royalties determined by other parties. In this kind of arrangement, the District's interests tend to be suppressed by the other stakeholders.

I advised the Accounting Officer to engage the MEMD with a view of redefining the relationship in the mining industry and having a MoU clearly spelling out the rights and obligations of each party.

3.18.3 Failure by mining companies to submit monthly returns to MEMD

Regulation 53 of the Mining Regulation 2004 "Monthly returns to be furnished" provides that Every holder of an exploration or retention licence shall, as soon as circumstances permit and in any case not later than fourteen days after the end of each quarter, lodge in triplicate at the nearest office of the Commissioner, statements in English in Form XXVI in the First Schedule to these Regulations; and in the case of the holder of a prospecting or location licence or a mining lease such statements shall be provided to the Commissioner in Forms XXV and XXVII in the First Schedule to these Regulations not later than fourteen days after the month reported on.

However, I reviewed the declarations made by the mining companies on the cadastre interface at the MEMD and noted that, a number of these companies failed to submit/lodge monthly returns to the MEMD.

This encourages under or non-declaration of revenue by the mining companies, which affects the royalties thereof.

The above is attributed to deliberate non-compliance by the companies to the regulation and failure by MEMD to enforce compliance.

I advised the Accounting Officer to liaise with the MEMD to always enforce mining companies to lodge monthly returns, which inform the assessment, verification and payment of expected royalties to the Government, as well as the Local Governments.

3.18.4 Non-verification of monthly returns by MEMD

Regulation 53 of the Mining Regulation 2004 provides that every holder of a mineral right shall submit or lodge mineral returns not later than fourteen days after the month reported on. These returns are self-assessed.

I noted a weakness in that MEMD is not required to undertake verification process to ascertain whether the mining parties declare the true results of their mining operations.

This encourages under-declaration of the volume and value of minerals mined by the mining parties.

I advised the Accounting Officer to engage the MEMD to consider emphasising verification of mineral returns to ensure that the Central government, District and land owners receive rightful revenue share from royalties declared and paid by the mining parties.

3.18.5 Non-participation of the CAO in licencing and lease approval process

Regulations 11, 19, 23 and 38 of the Mining Regulations 2004 provide guidance in the application for exploration, retention, location licences and mining lease, stating that applications for such mineral rights shall be logged with the Chief Administrative Officer (CAO) of the district concerned within thirty days of erection of a location beacon for forwarding to the Commissioner. In addition, Regulation 8 stipulates the procedure on receipt of application for mineral right by the Chief Administrative Officer.

However, I noted that the CAO does not participate in the receiving and forwarding of the applications for mineral rights to the Commissioner, MEMD.

This has contributed to disconnect in collaboration between the mining parties (companies, associations and individuals) and the District, thus affecting the sharing of information between the parties.

I advised the Accounting Officer to engage the MEMD and establish a mechanism of active participation in the licencing and lease approval processes.

3.19 Luwero-Rwenzori Development Program (LRDP)

LRDP is Discretionary Development Equalization Grant (DDEG) that seeks to enable communities enhance their household incomes. The program was rolled out in 39 LGs in the Luwero-Rwenzori Triangle and is one of the fiscal reforms implemented by Government to improve service delivery. LRDP accounts for 5% of the entire DDEG funds allocated to these Districts in the financial year 2021/2022.

However, previous OAG audits have highlighted challenges in the management and implementation of the LRDP grant. These challenges include: application of LRDP funds to ineligible expenditures and activities, under remittances of funds, late release of funds, under absorption of LRDP funds, diversion of funds.

Similarly, the Ministry of Local Government (MoLG) in consultation with other key stakeholders embarked on the review of the DDEG to address challenges encountered during implementation.

It is against this background that I audited the implementation of LRDP to establish whether the funds released to Districts were utilized in accordance with the DDEG guidelines.

During the FY 2021/22, 18 LGs received UGX.25,576,920,152 from Central Government to implement various activities under LRDP. Below is a summary of my findings, details of which are included in individual reports that have been issued separately;

3.19.1 Allocation of funds among program activities

Paragraph 1.4 Table 5 (as hereunder) of the DDEG guidelines 2021/2022 provides the maximum thresholds for which a District can use to implement a wide range of infrastructure within their mandate and according to their local priorities and needs.

Table 40: allocation of funds among program activities

Main Expenditure Items	Threshold
Infrastructure Projects, including Physical Planning and land titling	Minimum 80%
Investment Servicing and Monitoring	Maximum 10%
Performance Improvement	Maximum 10%

I observed that 7 LGs did not allocate funds in accordance with the required thresholds. For instance, in 7 LGs, infrastructure projects funds were allocated below minimum requirement of 80% whereas the investment servicing and performance improvement were allocated above the maximum of 10% as indicated in the table below and in **appendix 13 a**.

Table 41: Allocation of investment thresholds

No.	Main Expenditure items	Threshold	Allocation	Amount - UGX
1	Infrastructure Projects, including Physical Planning and land titling	Minimum 80%	70%	1,871,695,608
2	Performance Improvement	Maximum 10%	13%	299,789,983
3	Investment Servicing and Monitoring	Maximum 10%	17%	483,628,600
	TOTAL			2,655,114,191

The diversion of funds hindered the achievement of intended outcomes of the grant of equalizing development of LGs and therefore affecting equitable distribution of resources and delivery of services.

The Accounting Officers explained that the allocation of Indicative Planning Figures (IPFs) is a mandate of MoFPED for which the LGs do not have control.

I advised MoFPED to ensure that the budget allocation criteria as per the guidelines is adhered to and releases should be based on the allocation.

3.19.2 Funding and absorption

I noted that 18 LGs budgeted to receive UGX.25,626,954,504 to implement various activities under LRDP. However, UGX.25,576,920,152 was received leading to a funding variance of UGX.50,034,352 representing 0.2%. A summary is shown in the table below and **appendix 13 b.**

Table 42: Funding and absorption

SN	Cost centre	Approved Budget - UGX	Amount Released - UGX	% funding	Expenditure - UGX	Amount not absorbed - UGX	% Absorption
1	Infrastructure Projects, including Physical Planning and land titling	8,164,927,374	8,153,926,373	100%	7,682,602,704	471,323,669	94%
2	Performance Improvement	843,710,153	843,710,153	100%	853,914,340	-10,204,187	101%
3	Investment Servicing and Monitoring	1,111,423,280	1,075,179,930	97%	1,063,687,338	11,492,592	99%
4	Transfer of LRDP funds to LLGs	15,506,893,697	15,504,103,696	100%	15,514,093,696	-9,990,000	100%
	TOTAL	25,626,954,504	25,576,920,152	100%	25,114,298,078	462,622,074	98%

I observed that Investment servicing and monitoring was the most affected where LGs did not receive UGX.50,034,352.

I further noted that out of UGX.25,576,920,152 released by MoFPED, 6 LGs failed to absorb UGX.462,622,074.

The Accounting Officers explained that the Indicative Planning Figures are issued by MoFPED for which they had no control while under absorption was attributed to delayed completion of the infrastructure projects by the contractors and bottlenecks in the procurement process.

I advised MoFPED to ensure that budget is funded in accordance with appropriation by Parliament while the MoLG was advised to ensure Accounting Officers adequately manage program implementation to eliminate unnecessary delays.

3.19.3 Implementation of LRDP activities

From the review of the status of implementation of infrastructure projects, performance improvement activities and investment servicing activities, I observed the following, details of which are in **appendix in 13 b**.

- 18 LGs planned to undertake 109 activities under infrastructure projects. However, only 100 activities were implemented while 9 activities worth UGX.521,220,854 were not implemented.

- 18 LGs planned to undertake 70 activities under performance improvement activities and all these activities were implemented. I also noted that 1 activity implemented worth UGX.3,000,000 was not eligible.

- 18 LGs planned to undertake 53 activities under investment servicing and all these activities were implemented.

Non implementation of planned activities hindered the achievement of intended outcomes of the grant of equalizing development of LGs and therefore affecting equitable distribution of resources and delivery of services.

The Accounting Officers attributed the non-implementation to the delays in procurement processes and the phased approach of the infrastructure projects.

I advised MoLG to ensure that Accounting Officers manage program implementation to eliminate unnecessary delays in the procurements.

3.19.4 Transfer to LLGs

Paragraph 1.3.2 of the guidelines provides the rationale for specific rule for sharing of the grant among levels of Local Government. Accordingly, the District is required to transfer 65% of the LRDP funds to LLGs and only retain 35%.

I observed that 16 LGs transferred less funds to the LLGs than the 65% required by UGX.1,144,383,168 as indicated in the table below;

Table 43: Transfer to LLGs

Total releases received (UGX)	Expected transfer to LLGs 65% (UGX)	Actual transfers to LLGs (UGX)	Variance (UGX)
25,576,920,152	16,624,998,099	15,480,614,931	1,144,383,168

This affected the implementation of service delivery programs at the Lower Local Governments.

The Accounting Officers explained that the allocation of discretionary transfers is a mandate of MoFPED for which they only transfer to LLGs what has been pre-determined and released.

I advised MoLG and MoFPED to harmonise the guidelines and the determination of the IPFs.

3.20 Implementation of Uganda Road Fund (URF)

3.20.1 Funding

I noted that 96 LGs budgeted to receive UGX.51,950,654,755 to cater for District/City/Municipal Council roads activities using road gangs and the force account mechanism. However, UGX.32,552,444,851 was received from Uganda Road Fund. Details are in **appendix 14 a.**
The failure to fully fund the road activities hindered access to service delivery centres like Schools, Hospitals and Markets.

The Accounting Officers attributed the shortfall to budget cuts for which the LGs have no control. The LGs have written to MoWT requesting for support.

I advised URF to ensure funding is secured for planned road activities.

3.20.2 Status of implementation of road activities

I noted that 96 LGs planned to rehabilitate 23,632 km of roads using routine manual, routine mechanized and periodic maintenance at a cost of UGX.32,564,110,678. However, only 12,687 km (54%) were rehabilitated at a cost of UGX.18,772,267,873 (58%). Details are shown in the table below and **appendix 14 b.**

Table 44: Status of implementation of road activities

Category	Planned Length (KM)	Planned Annual Expenditure - UGX	Actual length (KM)	Actual Expenditure - UGX
Routine Manual Maintenance	16,067	8,494,132,458	7,385	4,089,157,242
Routine Mechanized Maintenance	6,720	15,394,408,459	4,924	10,306,553,352
Periodic Maintenance	845	8,675,569,761	378	4,376,557,279
Total distance	23,632	32,564,110,678	12,687	18,772,267,873

Source: URF work plan and quarterly performance reports

According to my inspection carried and progressive performance reports, I have observed the following;

- 89 LGs planned to maintain 16,067 km under routine manual maintenance at a cost of UGX. 8,494,132,458, however only 7,385 km (46%) were maintained at cost UGX.4,089,157,242 (48%).

- 90 LGs planned to maintain 6,720 km under routine mechanised maintenance at a cost of UGX.15,394,408,459, however only 4,924 km (73%) were maintained at cost UGX.10,306,553,352 (67%).

- 45 LGs planned to maintain 845 km under periodic maintenance at a cost of UGX.8,675,569,761, however only 378 km (45%) were maintained at cost UGX. 4,376,557,279 (50%).

- 88 LGs did not budget for routine manual, routine mechanise and periodic maintenance of roads despite the destruction of a number of roads by the rainy seasons. There is a risk that the roads will further deteriorate given the meagre resources. Access to service delivery centres like Schools, Hospitals and Markets is hindered.

The Accounting Officer attributed this to late release of funds and inadequate and unmaintained road construction equipment.

I advised the MoFPED timely release appropriated funds for the implementation of planned road activities.

Other Information

The Accounting Officer is responsible for the other information. The other information comprises the statement of responsibilities, a statement from the Secretary to the Treasury, a commentary by the Accountant General, and other supplementary information. The other information does not include the financial statements and my auditors' report thereon.

My opinion on the financial statements does not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

Under Article 164 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 45 of the Public Finance Management Act, 2015 (as amended), the Accounting Officers are accountable to Parliament for the funds and resources of the Government of Uganda.

The Accountant General is appointed as the Accounting Officer and Receiver of Revenue for the Consolidated Fund. The Accountant General is therefore responsible for the preparation of Consolidated Financial Statements of Local Governments in accordance with the requirements of the Public Finance Management Act 2015, and the Financial Reporting Guide 2018, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Accountant General is responsible for assessing the Local Government's ability to continue delivering its mandate, disclosing, as applicable, matters related to affecting the delivery of the mandate of the Government of Uganda, and using the Financial Reporting Guide 2018 unless the Accountant General has a realistic alternative to the contrary.

The Accountant General is responsible for overseeing the Government's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements of local government as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also;

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the local government's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the government's ability to deliver its mandate. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the government to fail to deliver its mandate.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with him/her all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 19(1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of the Local Government Consolidated Financial Statements that; except for the matters raised in the compliance with legislation section below, and whose effect has been considered in forming my opinion on the Local Government consolidated financial statements, the activities, financial transactions and information reflected in the consolidated financial statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

Report on the Audit of Compliance with Legislation

In accordance with Section 19 of the NAA 2008, I have a responsibility to report material findings on the compliance of Government, with specific matters in key legislations. I performed procedures primarily to identify findings but not to gather evidence to express assurance.

The material findings in respect of the compliance criteria for the applicable subject matters are as follows;

3.21 Transfer of Accounting Officers in Local Governments

Section 45(5) shall be responsible and personally accountable to parliament for the activities of a Vote.

Section 43 (3) requires an Accounting Officer to enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a financial year.

During the audit, I noted that the MoLG made frequent transfers of Accounting Officers from one LG to another. In the case of the LGs of Bulisa DLG, Hoima DLG and Fort Portal City, Amuria DLG, Mityana DLG, Butebo DLG, Kabarole DLG and Kitagwenda DLG, two to four Accounting Officers were posted within the same financial year.

The above disrupts implementation of activities thus affecting service delivery and accounting for funds which may in the long run hinder attainment of strategic objectives in the affected LGs. In some cases, it was noted that the Technical Planning Committee (TPC) structures are not fully constituted to lead implementation of the budgets without continuity of service and guidance by the Chief Administrative Officer.

The Accounting Officers explained that it was the mandate of MoFPED and MoLG to appoint and transfer Accounting Officers respectively.

During my interaction with MoLG, the PS acknowledged the effect of the anomaly on service delivery and stated that the challenge can be solved by strengthening the administrative structure by recruiting substantive heads of departments. The PSST also acknowledged the observation and promised to engage the MoLG on the matter.

I advised the MoLG to streamline the transfer of LG Accounting Officers to ensure continuity in service delivery with minor interruptions. The ministry should also liaise with MoPS and MoFPED to provide guidance and funding to strengthen the Technical Planning Committees (TPCs) for all LGs.

3.22 Risk management in LGs

Instruction 6.5.2 (e) of the Treasury Instructions 2017 require the Accounting Officer to institute risk management practices in their operations.

I observed that all the 169 LGs audited have not incorporated risk management in their operations, contrary to instruction 6.5.2 (e) of the Treasury Instructions, 2017. This is evidenced by lack of risk strategies, detailed registers of risk and officers responsible for risk mitigation.

The lack of mechanisms of risk identification and response may hinder LGs from achieving their strategic and operational objectives and therefore respective mandates. The Accounting Officers explained that the guidelines issued by PS/ST in line with paragraph 6.5.4 of the Treasury Instructions 2017 were disseminated to selected Local Governments.

During my interaction with MoFPED indicated that the Internal Auditor General had issued guidance to Accounting Officers of Local Governments. LGs will be trained on the preparation and application of the risk mitigation plans in the financial year 2022/23. The tools that have been developed are being inbuilt in the draft GOU National Enterprise Risk Management Guidelines.

I advised MoFPED to disseminate guidelines on risk management to all Accounting Officers and ensure that they put in place a detailed risk register and an officer responsible for risk management to minimise the entity's exposure to risks that may affect the implementation of planned activities.

John F.S. Muwanga
AUDITOR GENERAL

30th December, 2022

4.0. REPORT OF THE AUDITOR GENERAL ON THE CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE OF PUBLIC CORPORATIONS AND STATE ENTERPRISES FOR THE YEAR ENDED 30TH JUNE 2022

4.1. Review of the Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises

According to Section 3 of the Public Finance Management Act (PFMA), 2015 (as amended); "A Public Corporation means an authority established by an Act of Parliament other than a local Government which receives a contribution from public funds, and any public body which in a financial year receives any income from public funds". Similarly, "A State Enterprise means a body established under any Act other than the Company's Act or a local Government council, and a company registered under the company's Act in which the Government or a state enterprise has controlling interest".

In line with the PFMA, 2015, I reviewed the Consolidated Summary Statement of the Financial Performance of Public Corporations and State Enterprises for the year ended 30th June 2022, and noted the following;

a) Completeness of the Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises

Section 52 (1c) of the Public Finance Management Act (PFMA), 2015 requires the Accountant General, within three months after the end of each financial year, to prepare and submit to the Minister responsible for Finance and the Auditor General the consolidated summary statement of the financial performance of Public Corporations, State Enterprises and Companies where Government has controlling interest.

Furthermore, Section 51(2) of PFMA, 2015 provides that, the Accounting Officer of a public corporation shall, within two months after the end of each financial year, using the format prescribed by the Accountant General, prepare and submit to the Accountant General, a summary statement of financial performance of the public corporation and give a copy of the summary statement to the Secretary to the Treasury.

I noted that 50 public corporations and state enterprises were supposed to be consolidated (**Appendix 15 a** refers) in accordance with Section 52 (1c) of the Public Finance Management Act (PFMA), 2015. However, only 34 entities were consolidated and 12 were disclosed as having not submitted summary statements for consolidation. I further noted that four (4) entities were not included in the consolidated summary statement submitted by the Accountant General, The **Tables below** refer;

Table 45: Entities not consolidated

S/N	Entity Name
1	Uganda Energy Credit Capitalization Company Limited (UECCCL)
2	Nile Hotel International Limited
3	Uganda Hotel and Tourism Training Institute
4	National Pipeline Company (NPC)

Table 46: Entities which did not submit summary statements

S/N	Enterprise
1.	Nakivubo War Memorial Stadium
2.	Uganda Air Cargo Corporation
3.	Dairy Corporation Limited
4.	Uganda Crane Industries Limited
5.	Uganda Livestock Industries Limited
6.	Uganda Refinery Holding Company Limited
7.	Production Enterprises Corporations Limited
8.	Uganda Fisheries Enterprises Limited
9.	Kampala Industrial and business park Ltd
10.	Science and Technology Equipment Production (unit) Ltd
11.	UGMA Engineering Corporation Limited
12.	Housing Finance Investments

In absence of the summary performance of the above mentioned corporations, the consolidated summary statement of financial performance of public corporations and state enterprises does not reflect the accurate status of government ownership and interest.

In addition, I noted that Government does not maintain a comprehensive database of Public Corporations and State Enterprises to enable independent verification of the number of entities consolidated in the summary statement.

In the absence of a comprehensive database, I was not able to ascertain the completeness of the submitted consolidated summary statement of financial performance of public corporation and state enterprises.

I advised the Accountant General to establish a comprehensive database for all Public Corporations and State Enterprises which should profile entities by capturing information, such as; Name of entity, Business/Industry, Location, Shareholding, Share Capital, Directors, E-mail addresses, among others, to enable the conduct of an independent verification.

b) Review of the Process of Consolidation of the Summary Statement of Financial Performance of Public Corporations and State Enterprises

The process of consolidation of the summary statement of financial performance of public corporations and state enterprises commences with the issuance of the request for submission letter by the Accountant General to the consolidating entities. The Accounting Officers of the respective entities submit entity summary statement of financial performance basing on unaudited financial statements which are then used by the Accountant General to prepare the initial Draft Consolidated Summary Statement.

I noted that when the entity financial statements were audited and adjustments made, Accounting Officers were not submitting adjusted summary financial performance statements, arising from adjusted accounts, to Accountant General. As a result, I noted variances between amounts in the entity audited financial statements and the corresponding amounts in the consolidated summary statement prepared by the Accountant General as shown in the table below;

Table 47: Inconsistencies in the submitted information

SN	Entities	Surplus/Deficit			Net Worth		
		Accountant General (A) UGX Bn	Audited Accounts (B) UGX Bn	Variance (B-A) UGX Bn	Accountant General (C) UGX Bn	Audited Accounts (D) UGX Bn	Variance (D-C) UGX Bn
1	Bank of Uganda	477.168	501.982	24.814	3,771.135	3,780.067	8.932
2	Electricity Regulatory Authority	(0.659)	(0.709)	(0.050)	36.441	36.391	(0.050)
3	National Water & Sewerage Corporation	6.874	(38.866)	(45.740)	1,438.149	1,392.544	(45.605)
4	Mandela Stadium Limited	78.786	78.786	-	258.741	258.390	(0.351)
5	The Micro Finance Support Centre Ltd	(30.638)	(11.101)	19.537	181.781	202.528	20.748
6	Post Bank Uganda Limited	3.364	12.236	8.872	121.823	117.126	(4.697)
7	Pride Micro Finance Limited	10.803	11.788	0.984	155.212	153.559	(1.653)
8	Uganda Electricity Distribution Company Limited	(0.146)	(0.086)	0.060	169.390	169.488	0.098
9	Uganda Electricity Generation Company Limited	(39.568)	27.863	67.430	793.181	860.611	67.430
10	Uganda Electricity Transmission Company Limited	(14.929)	37.703	52.632	1,710.606	1,763.238	52.632
11	Uganda National Oil Company Limited	(1.356)	(1.356)	(0.000)	564.090	564.090	(0.000)
12	Housing Finance Bank Ltd	49.042	40.975	(8.067)	274.255	278.692	4.437

The variances were attributed to the failure by entities to submit the adjusted summary statement of financial performance after audit, to the Accountant General. This was also attributed to absence of the reporting guidelines to streamline the consolidation process.

I advised the Accountant General to consider issuing reporting guidelines to all consolidating entities to streamline the consolidation process, to ensure that only audited and adjusted amounts in the entity summary statements form a basis for the final consolidation.

4.2 Review of Financial Performance of Public Corporations and State Enterprises

The Government of Uganda (GoU) owns shares in a number of Public Corporations and State Enterprises. These enterprises, which are independently managed, are supposed to operate efficiently, make profits and pay dividends to Government. Their financial performance is therefore of interest to Government.

As noted in my previous reports, the Government Consolidated Summary Statement of financial performance of public corporations and State enterprises only reports on; government shareholding, total income, total expenditure, dividends declared, retained earnings, and net worth of entities. However, key performance assessment parameters, such as; profitability, return on assets, liquidity assessment, and debt analysis are not reported on. As a result, I computed these ratios using audited financial statements for further analysis of performance of Public Corporations and State Enterprises.

I assessed a total of 22 entities out of the 50 Public Corporations and State Enterprises. From the financial performance analysis undertaken, I noted the following;

a) Profitability of Enterprises

I analysed profitability of 18 public corporations and state enterprises and noted that only ten (10) made profits/surplus in the year under review, with Uganda Electricity Transmission Company Limited (UETCL), Uganda Electricity Generation Company (UEGCL) and NEC Luwero Industries Limited posting profits of UGX.37.7Bn, UGX.27.9Bn and UGX.7.9Bn, respectively. I further noted that Mandela National Stadium registered a surplus of UGX.78.8Bn from UGX.1Bn posted in the previous year on account of government support of UGX.80Bn received during the year. Table below refers.

In comparison with the previous year, a number of state enterprises and corporations including; UNOC, UEDCL, Civil Aviation Authority (CAA) and Uganda Broadcasting Corporation (UBC) recorded significant reductions in losses from the previous year, while entities including NEC Luwero Industries Limited and NEC Farm Katonga Limited registered improved profit positions of over 100% from the previous year. This was mainly attributed to the recovery of the related industries from the negative effects of COVID-19.

Conversely, Uganda National Airlines Company Limited posted a higher loss of UGX.266Bn from UGX.164.6Bn recorded in the previous year on account of low industry recovery from COVID-19 effects, which slowed down the Airline's expansion efforts into new markets like China. In addition, Uganda Electricity Transmission Company Limited (UETCL), Uganda Electricity Generation Company Limited (UEGCL) and Uganda Printing and Publishing Corporation (UPPC) registered reduced profit positions by over 60% from the previous year. This was attributed to foreign exchange losses (UETCL), delayed commissioning of Karuma HPP (UEGCL) and stiff competition in the market (UPPC).

Other loss-making enterprises included; Uganda Railways Corporation (UGX.32.3Bn), Uganda Air Cargo Corporation (UGX.9Bn), and Kilembe Mines (UGX.2.4Bn). This may affect the entities' ability to meet future obligations or investments. The table below refers.

Table 48: Profitability of Public Corporation and State Enterprises

No.	Entity	2021/2022 (UGX Bn)	2020/2021 (UGX Bn)	% increase/decrease	Response
1	Mandela National Stadium	78.785	1.078	7,206	Management explained that the increment was due to the Company receiving government support of UGX.80Bn in form of a subvention from Ministry of Education and Sports (MOES) without it, the Company would have had a deficit.
2	Uganda Electricity Transmission Company Limited	37.703	112.124	-66	Management explained that the previous year profit arose from a favorable foreign exchange translation while the current year loss is as a result of an unfavorable foreign exchange translation.
3	Uganda Electricity Generation Company	27.862	91.932	-70	Management explained that the decline was due to delayed commissioning of Karuma HPP (Increase in asset- WIP with no corresponding revenues)
4	NEC Luwero Industries Limited	7.882	3.682	114	Management explained that the Company took over 5 years when there was no production. Production resumed in 2016 and in 2017., the first profits were recorded, by which time accumulated losses were UGX.22,821,246,024.
5	NEC Construction Works & Engineering Limited	4.352	3.264	33	No Management response
6	Insurance Training college	1.992	2.419	-18	Management explained that it has set clear targets for income and the relevant revenue centres have set strategies of realizing.
7	NEC AGRO SMC Limited	1.638	1.470	11	No management response.
8	The Microfinance Support Centre Ltd (Dec 2019)	1.480	30.070	-95	Management explained that this was due to reduction in impairment allowance which moved from UGX 15,629,327,000 to UGX 405,393,000
9	Uganda Printing and Publishing Corporation	1.204	3.383	-64	Management explained that it has strategies such as asset (machinery) acquisition, diversification, and building strategic relations with the aim of improving efficiency, quality and revenue.
10	NEC Farm Katonga Limited	0.253	0.032	672	No management response

No.	Entity	2021/ 2022 (UGX Bn)	2020 /202 1 (UGX Bn)	% increas e/decr ease	Response
11	Uganda Electricity Distribution Company Limited	- 0.085	- 10.904	-99	Management explained that despite making a positive EBITDA, the net deficit for the year is as a result of the unclaimed depreciation charge as disallowed by ERA for the use of the concession assets by Umeme Ltd. UEDCL has every year engaged the regulator on this matter and until it's addressed by ERA, it will continue to affect the retained earnings.
12	Uganda National Oil Company Limited	-1.355	- 34.717	-96	Management explained that UNOC's anchor investment projects are greenfield projects which require 3 – 4 years of construction, after taking Final Investment Decision (FID) before revenue can be generated. So far Government has provided funding for UNOC's equity in EACOP, while for Tilenga and Kingfisher, UNOC is carried up to First Oil. These projects can only generate revenues after First Oil.
13	Kilembe Mines Limited	-2.389	-3.908	-39	Management explained that it was fast-tracking the investor. The operations have been affected by COVID-19 restrictions as well as ravages to mine infrastructure, and, later "Ebola" impasse. Further, the available law for such a transaction, the Public Enterprises Reform and Divestiture (PERD) Act is being repealed and Government has disbanded the overseer (Privatization Unit) which impacts coordination of the investor search between the two ministries; that for Energy and Mineral Development and of Finance, Planning and Economic Development.
14	Uganda Air Cargo Corporation	-9.039	-7.694	17	Management explained that to realize the annual budgeted revenue, UACC has put in place a number of strategies in order to become a profitable corporation. Such strategies include; having a serviceable fleet, strengthening partnerships/alliances with other operators in the industry, re-engaging former business contacts such as PAE, UN, Red Cross and Government of Uganda. With such measures and strategies, UACC is optimistic that the budgeted revenue performance will be achieved going forward. In addition, the Board approved the Corporation's 5-year Business Strategy and Investment Plan in January, 2022.
15	Uganda Broadcasting Corporation (UBC)	-9.345	- 19.320	-52	Management explained that the UBC Act 2005 vested the Corporation with all the Assets and liabilities of the Former UTV and Radio Uganda. As a result, UBC inherited a number of assets and infrastructure that are

No.	Entity	2021/ 2022 (UGX Bn)	2020 /202 1 (UGX Bn)	% increas e/decr ease	Response
					obsolete hence the high cost of the operation and maintenance. Management is engaging the Government for funding to enable the Corporation replace the obsolete infrastructures and equipment. The UBC Act is also being reviewed to streamline the source of funding for the Corporation. In addition, the UBC Strategic Plan is also being reviewed to ensure that the Corporation generates revenue for its sustainable growth.
16	Civil Aviation Authority	- 10.827	- 27.757	-61	Management explained that in the previous year the reported deficit was largely attributed to the effects of COVID-19. However, there is a significant reduction of the deficit from last year by 60.81%. This is explained by the recovery of aviation industry from the negative effects of COVID -19.
17	Uganda Railways Corporation	- 32.328	- 37.796	-14	Management explained that the loss was largely attributed to the poor performance of the main (freight and other cargo & passenger related revenue) income.
18	Uganda National Airlines Company Limited	- 265.909	- 164.601	62	Management explained that the industry recovery from Covid-19 effects has been low and has slowed down the Airline's expansion efforts into new markets like China. Developments like Brexit also further slowed down launch plans for London.

Similarly, I assessed the profitability of the 4 financial institutions and noted that all the 4 institutions were profitable for the 2 consecutive years. However, the profitability of Pride Microfinance declined by 7% from the previous year. The details are shown in the table below;

Table 49: Profitability for the Financial Institutions

No.	Entity	2021/2022 UGX (Bn)	2020/2021 UGX (Bn)	Increase/ Decrease	Response
1	Housing Finance Bank	40.97	20.689	98%	No management response
2	Uganda Development Bank	38.820	22.109	76%.	No management response
3	Post Bank Uganda Limited	12.236	10.070	22%	No management response
4	Pride Microfinance Limited	11.788	12.690	-7%	No management response

I advised the entities to develop clear strategies to improve operations and adopt efficient financial management practices to lower operating costs and increase revenue generation. Government should also consider recapitalizing the most affected entities to revamp their operations.

b) Return on Assets

The Return on Assets (ROA) shows the percentage of how a company's assets are generating revenue. It measures management's efficiency in using the enterprise's assets to generate earnings. Although companies that require large initial investments will generally have lower return on assets, ROAs below 5% are generally considered inadequate.

I assessed the ROAs of 16 enterprises/corporations and noted that Six (6) entities, including; The Microfinance Support Centre Ltd, Mandela National Stadium, NEC AGRO SMC Limited, Insurance Training college, NEC Construction Works & Engineering Limited, and Uganda Printing and Publishing Corporation posted a favourable ROA of over 5%. however, ten (10) enterprises/corporations registered a poor performance on ROA of below 5%. The worst performing enterprises were; Uganda Electricity Distribution Company Limited, Uganda Railways Corporation, Kilembe Mines Limited, Uganda National Airlines Company Limited and Uganda Broadcasting Corporation (UBC).

The noted performance was mainly attributed to low revenue performance and high cost of operations for entities such as UBC, Uganda Airlines, CAA and Uganda Railways Corporation among others. For the electricity sub-sector, the low ROAs were attributed to a number of running projects which are still under Work in Progress (WIP) and not generating revenue (UEGCL & UETCL) and desire by GoU to reduce the electricity tariff which limits profitability of the related entities. For Kilembe Mines, the entity has continued to post a negative ROA mainly due to the fact that the mine is still under care and maintenance without the core business activity of mining due to the delayed divesture process. The table below refers;

Table 50: Returns on Assets

No.	Entity	Return On Asset (%)		Response
		2021/2022	2020/21	
1	The Microfinance Support Centre Ltd	-5%	-2.3%	The increase in return on assets was attributed to the improved Earnings before interest and tax of UGX 1,480,168,000 compared to UGX (30,070,363,000) of the previous year.
2	Mandela National Stadium	30%	0.6%	Management explained that the performance was attributed to the subvention of UGX 80,136,938,512 that was received from the Ministry of Education and Sports for the upgrade and renovation of the stadium.
3	NEC AGRO SMC Limited	19	21.6	Management explained that the decrease was attributed to the purchase of land at Ugx 450,000,000 which increased the value of assets. Since there was no significant increase in net profit after tax, the returns on assets decrease.

No.	Entity	Return On Asset (%)		Response
		2021/2022	2020/21	
4	Insurance Training college	12%	16%	Management explained that it shall only commit resources to investment proposals whose projected ROI is above the recommended 5%.
5	NEC Construction Works & Engineering Limited	7.50%	14%	No response from management.
6	Uganda Printing and Publishing Corporation	5%	26%	Management explained that it has income generating strategies such as utilizing one of the properties as a printing school. Should resources become available, the properties shall be overhauled to attract investment opportunities. In addition, management explained that it was diversifying revenue streams and products and expanding the geographical reach to all regions of Uganda to make products and services accessible.
7	NEC Farm Katonga Limited	2.60%	0.40%	No response from management.
8	NEC Uzima Limited	1.90%	12.10%	Management explained that new installed machinery had not been operating because of technicalities involved but ROA is expected to increase again when full production commences
9	Civil Aviation Authority	1.20%	-3.30%	No response from management.
10	Uganda Electricity Transmission Company Limited	0.70%	2.28%	Management explained that it is committed to expedite completion of projects in pipeline (Entebbe Mutundwe, Karuma, Gulu Agago) so that such projects become part of the revenue generation base.
11	Uganda Electricity Generation Company	0.38%	1.30%	Management explained that the decline was due to delayed commissioning of Karuma HPP (Increase in asset- WIP with no corresponding revenues)
12	Uganda Electricity Distribution Company Limited	-0.008%	-0.56%	Management explained that it shall continue to engage ERA to agree on a method of recovering the outstanding lease rental payments.
13	Uganda Railways Corporation	-0.85%	-1.03%	
14	Kilembe Mines Limited	-9%	-10%	Management attributed the lower ROA to the fact that the mine is under care and maintenance without the core business activity of mining.
15	Uganda National Airlines Company Limited	-23%	-13.10%	Management explained that the return on Assets is negative for both years as the Company is still loss making.
16	Uganda Broadcasting Corporation (UBC)	-2.62	-5.88	Management explained that this has been greatly due to the high cost of operation. For example, example running the equipment's for the DTT sites, electricity bill and other expenses.

No.	Entity	Return On Asset (%)		Response
		2021/2022	2020/21	

This implies that the Companies/Corporations are not generating enough income from the use of their assets.

Similarly, I assessed the Return on Assets of the 4 financial institutions and noted that the ROA of the institutions improved compared to the previous year with exception of Pride Microfinance which a slight reduction of 0.3%. The details are shown in the table below;

Table 51: Return on Asset for the Financial Institutions

No.	Entity	Return On Asset (%)		Response
		2021/2022	2020/21	
1	Uganda Development Bank	5.3	2.91	No management response
2	Housing Finance Bank	4	2.27	The performance was attributed to an increase in the asset value from UGX 1,108.03bn in the prior year to UGX 1,304.16bn in the year under review.
3	Pride Microfinance Limited	3	3.3	The reduction in the ROA was attributed to the low Earnings before interest and tax of UGX 11,440,731,000 compared to UGX 15,484,355,000 of the previous year.
4	Post Bank Uganda Limited	2.5	2.25	The Reduction in return on assets was attributed to an increase in the asset value by 9.49% (from UGX 674.555bn to UGX 745.29 bn in the year under review).

I advised the entities to institute mechanisms to increase income generation from use of their assets.

c) Dividends

I noted that, only Housing Finance Bank Limited declared a dividend pay-out of UGX.20.5Bn in the year under review. During the year, Uganda Property Holdings Limited and Housing Finance Bank Limited paid out dividends declared in the previous year totalling to UGX.400Mn and UGX.6.1Bn respectively.

I further noted that although some companies were making significant amounts of profits, they were not paying dividends to Government. Examples included; UETCL, UEGCL, UEDCL, NEC Luwero Industries Limited, and NEC Construction Works & Engineering Limited, among others.

The enterprises attributed the non-payment of dividends to the loss-making positions and retention of funds to fund planned investments/projects.

I advised the Accountant General to ensure that profit making enterprises provide a share of government dividend.

d) Liquidity Assessment

I analysed the ability of Public Corporations and State enterprises to meet their short-term financial obligations by comparing the current assets and current liabilities using the Current Ratio analysis. Generally, the ratio of Current Assets to Current Liabilities between 1.5 and 2 is desirable, although acceptable current ratios vary between different industries or sectors.

I noted that thirteen (13) entities were above the ideal threshold, implying that they are able to meet their liabilities as they fall due. However, out of the 13 entities, 8 had excessively higher current ratios of 4 and above, these included UNOC, Mandela National Stadium, NEC Luwero Industries Limited and UEDCL among others. The very high current ratio implies that the Companies are not efficiently utilizing their current assets or short-term financing facilities.

Five (5) entities had ratios below 1.5 and may have a challenge of paying their obligations as and when they fall due, these included UEGCL, UBC, Kilembe Mines Limited, NEC Construction Works & Engineering Limited and Uganda National Airlines Company Limited. The table below refers.

Table 52: Enterprise Liquidity

No	Entity	Current Ratio		Remarks
		2021/2022	2020/2021	
1	Uganda National Oil Company Limited	30.2	N/A	Management explained that the company's current ratio was significantly impacted by the recognition of funds related to GOU's first (1st) tranche of the 15% shareholding in EACOP Co through UNOC, of UGX.480.9 billion. For the period between July 2022 – November 2022, the company paid USD.62.3 Million (equivalent to UGX.230.4 billion), as cash calls to EACOP Co. The current ratio should return to expected levels as the company continues to meet its cash call obligations to EACOP Co.
2	Mandela National Stadium	30.03	0.73	Management explained that the Board and Management engaged the Shareholders to recapitalize the company. As a result, Government funded the renovation and upgrade of Mandela National Stadium to international standards. This will make it marketable and attractive to business. Public Private Partnerships will be entered into to enhance the performance of the company.
3	NEC Luwero Industries Limited	20.3	11.9	No Management response.
4	NEC AGRO SMC Limited	10.7	7.1	Management explained that this was due to the nature of business the company is engaged i.e., fertilizer sales and Food Supply. Payments by the main clients (Uganda Prisons Service and Ministry of Defense and Veteran Affairs) are received on quarterly basis whereas the company settles suppliers on monthly basis.

No	Entity	Current Ratio		Remarks
		2021/2022	2020/2021	
5	Uganda Electricity Distribution Company Limited	10.4	6.8	This performance was attributed to an increase in the Company's current asset during the year under review.
6	The Microfinance Support Centre Ltd	4.1	11.6	The reduction in the entity's current ratio is attributed to an increase in the current assets from UGX.197.7Bn previous year to UGX.272.97Bn. Despite the increase in current liabilities from UGX.17Bn to UGX.66Bn in the current year under review.
7	Uganda Air Cargo Corporation	4	2.5	Management indicated that UACC' s current asset levels which are mainly from the current debtors and cash/bank balances, are significantly contributed to by subvention received from Government.
8	Civil Aviation Authority	4	2.59	No Management response.
9	Uganda Printing and Publishing Corporation	2.8	2.1	Management indicated that it has strategies to efficiently utilize its current assets by managing payments well and intensifying debt collection.
10	Uganda Railways Corporation	2.78	2.67	No Management response.
11	Insurance Training college	2.4	3.3	Management explained that it shall continue to closely monitor the liquidity ratio and take all necessary measures to keep it within the desirable range.
12	NEC Uzima Limited	2.2	2.3	No Management response.
13	Uganda Electricity Transmission Company Limited	2.04	1.9	Management explained that it will continue to engage the various distributors in an effort to enhance debt collection. Among other initiatives, Management has agreed on payment plans with a number distributors and is engaging a number of them routinely, pressing for remittances. It should be noted that the trend of receivables position has improved over the years.
14	Uganda National Airlines Company Limited	1.4	2.7	Management explained that although this dropped in the FY2021/2022 when compared to the FY2020/2021, it remained positive implying that the Company is still able to meet its short-term obligations.
15	NEC Construction Works & Engineering Limited	1.3	1.4	Management explained that this was due to advance payments received from their clients for work being executed.
16	Kilembe Mines Limited	0.57	0.56	Management indicated that as a measure to improve the current ratio, it has sought financial support from the shareholders through the Board of Directors to rehabilitate

No	Entity	Current Ratio		Remarks
		2021/2022	2020/2021	
				and refurbish the Company assets and provide funding to clear the outstanding liabilities to enable a fresh start to KML.
17	Uganda Broadcasting Corporation (UBC)	0.44	0.38	Management attributed the performance to the fact that the UBC Act had specified some of the sources of funding for UBC. However, at implementation some could not take place like the case of TV tax which Act is now under review. In addition, the Corporation is also reviewing its strategic plan for revenue mobilization.
18	Uganda Electricity Generation Company	0.27	0.43	Management attributed the performance to the following; a) Lower revenue for Isimba based on energy sold as opposed to the approved power purchase agreement which was supposed to be capacity based. Revenues not able to meet loan obligations. ERA dictated this position as a government strategy to keep energy tariffs low. b) Delayed commissioning of Karuma HPP has resulted in delayed payment of the loan interest expenses that have fallen due.

For the financial institutions, I noted that the four (4) institutions were above the ideal threshold, implying that they are able to meet their liabilities as they fall due with an average current ratio of 3. The Uganda Development Bank had the highest ratio of 9.87 while Post Bank had the lowest ratio of 1.07. The details are as per the table below;

Table 53: Liquidity assessment for financial institutions

	Institution	Liquidity assessment for banking institutions	
SN	Bank	Current ratio	
		31st Dec 2021	31st Dec 2020
1	Pride Micro Finance	1.55	1.45
2	Post Bank	1.07	1.08
3	Uganda Development Bank	9.87	8.074
4	Housing Finance Bank	1.24	1.25
	Average	**3.4**	**3**

I further noted that the Loans and advances to customers for the 3 out of the 4 Banks increased on average from UGX.343.32Bn to UGX.472.89Bn in the current year (31st Dec 2021). The Uganda Development Bank had the highest Loans and Advance deposits to customers of UGX.781.66Bn while Pride Micro Finance had the lowest Loans and Advance deposits to customers of UGX.182.16Bn. The details are as per the table below;

Table 54: Loans and Advances performance

SN	Bank	31st Dec 2021 (UGX-Billions)	31st Dec 2020 (UGX-Billions)
1	Pride Micro Finance	182.16	183.39
2	Postbank	454.86	334.70
3	Uganda Development Bank	781.66	511.88
	Average	**472.89**	**343.32**

The increase in the Loans and advance deposits to customers is a sign of good performance for the Banks as long as there are no significant non-performing loans.

e) Debt Analysis

Public Corporations and State Enterprises should be able to meet their short and long-term debt obligations. Gearing (debt) ratio measures the proportion of the enterprises' assets that are financed by debt. Although the risk levels vary from industry to industry, a debt ratio of more than 50% is considered undesirable.

Twelve (12) out of the thirteen (13) Public Corporations and State enterprises assessed had debt ratios of less than 50% implying that owners' equity was sufficient to cover total debt with the exception of NEC Uzima Limited which had a debt ratio above 50%. Further analysis noted that 11 Public Corporations and State enterprises had very low gearing levels below 10% indicating availability of untapped source of financing for growth. The table below refers.

Table 55: Enterprise Gearing

No.	Entity	Debt Ratio (%)		Remarks
		2021/2022	2020/2021	
1	Civil Aviation Authority	48	51.9	No response from Management.
2	Uganda Electricity Distribution Company Limited	10.31	10.23	Management noted that the debt arises from the financial liability on the buyout amount of UMEME. This is the responsibility of the Government of Uganda.
3	Uganda Electricity Generation Company	0.88	0.74	Management indicated that it had instituted strategies to improve profitability in the short term such as: a) Karuma and Isimba HPP loans have been converted from USD to UGX to avoid forex losses. b) Commissioning of Karuma HPP is being fast tracked to generate revenue in the next financial year.
4	Uganda Electricity Transmission Company Limited	0.67	0.65	Management indicated that Conversion of debt to equity will be discussed in the next Annual General Meeting, slated for December 2022.
5	NEC Construction Works & Engineering Limited	0.666	0.69	No response from Management.

No.	Entity	Debt Ratio (%)		Remarks
		2021/2022	2020/2021	
6	NEC Uzima Limited	55	53.5	Management explained that the debt component related to the internal borrowing from NEC-Luwero Industries Ltd. This was used to acquire the new factory machinery and construction of the new building and this debt is interest free.
7	Insurance Training college	0.24	0.35	Management indicated that every financial year, it develops strategies to reduce the debt obligations. This is evidenced by the debt reduction over the past three (3) financial years, 2019-20 (4%), 2020-21 (6%), 2021-22 (23%). This has been achieved by timely payment of quarterly debt obligations and a prepayment of UGX.1 billion made in the FY 2021-22 over and above the annual debt obligations.
8	Kilembe Mines Limited	0.23	0.21	Management indicated that, to further improve the debt position, management will continue following up with MOFPED on the issue of debt restructuring of the UGX.4.7bn.
9	Uganda Broadcasting Corporation (UBC)	0.227	0	Management indicated that a proposal had been submitted to the board for approval to lease some of the Corporations land to raise money to pay off some of the debts. Secondly, the corporation is following up on the presidential directives of writing off the penalties for NSSF and coming up with payment plan for the debts with NWSC, Umeme and the principle for URA and NSSF.
10	Uganda Printing and Publishing Corporation	0.13	0.22	No response from Management.
11	NEC AGRO SMC Limited	0.09	0.136	No response from Management.
12	Uganda Air Cargo Corporation	0.075	0.13	Management noted that it is desirous of increasing revenue generation, mainly by use of its own air assets, ensure frugality and enter into partnerships in order to make the Corporation profitable. Management shall ensure its working capital is organically generated and an anticipated upward trend will facilitate debt ratio improvement to recommended industry averages.

No.	Entity	Debt Ratio (%)		Remarks
		2021/2022	2020/2021	
13	Uganda Railways Corporation	0.0307	0.0207	No response from Management.

I advised the enterprises to review their debt-to-equity mix and keep a balance to ensure entity profitability.

4.3. Overall Conclusion/Recommendation

Government established public corporations and state enterprises with an objective of ensuring efficient and effective management of government operations while delivering services to the citizens. I noted that 56% of the assessed companies made profits while others were not making profits, thus affecting their return on assets, ability to pay dividends to Government, and ability to settle their obligations as they fall due. Therefore, these companies should put in place strategies to improve their performance and deliver to the expectations of Government. In addition, Government should develop appropriate financial and non-financial performance assessment indicators for each category of Public Corporations and State Enterprises to enable comprehensive and standardised performance assessment.

PART 3: SECTORAL AND LOCAL GOVERNMENTS CROSS CUTTING FINDINGS

This part contains cross cutting key findings noted in the respective sectors and cross cutting service delivery issues in Local Governments.

A. Sectoral Key Findings

1.0. PUBLIC SECTOR MANAGEMENT

1.1. Delayed realignment of the Comprehensive National Development Framework (CNDPF) to the program planning approach

The National Planning Authority developed a comprehensive national development framework in 2009 to guide planning in the country. This framework was developed based on the sector wide approach to planning and budgeting and should have been realigned to the new programme-based approach to planning and budgeting with the shift from the sector wide approach. At the time of writing this report (December 2022), the CNDPF was yet to be re-aligned to the new programme approach to planning and budgeting. The CNDPF therefore in its current form therefore cannot appropriately guide planning at both national and entity level. I advised the NPA to ensure that the CNDPF adequately realigned to the programme-based planning and budgeting adopted by Government.

1.2. Progress towards full implementation of the programme development approach

The Programme Approach to planning was adopted so as to reduce the silo approach to planning, budgeting, implementation and monitoring & evaluation (M&E), which always led to the duplication and wastage of resources. This approach was supposed to bring together stakeholders so as to achieve the delivery of common results, in an effective and efficient way. There have been areas of commendable performance towards transition by government to the programme approach for instance; Programme Implementation Action Plans (PIAPs) are providing the basis for planning, budgeting, implementation and M&E. In addition, the budgeting Systems have been adjusted to adopt the Programme approach which has improved the link between the Development Plan and the National Budget.

Despite these achievements there are areas that need attention; there is still resistance from some stakeholders to the intervention, there are capacity gaps at the entity level regarding this approach, limited funding to programme secretariats which affects their operations, there no service delivery standards and outcome indicators for measuring performance. In addition, only four (4) of the twenty (20) programmes had functional programme working groups and working procedures within some entity operations are still not fully aligned to the programmed approach.

Government therefore needs to develop and implement change management programmes that will include training for technocrats and political heads, undertake capacity building of planners at both MDAs and LGs and also ensure that programme secretariat through their lead ministries are adequately funded to execute their mandates. Mops and OPM should also coordinate the development of service delivery standards within programmes.

1.3. Operation of unlicensed and unregistered schools in Kampala

I reviewed the status of registration and licencing of schools with Kampala and noted Only 865 out of 1,927 schools were registered with KCCA representing 45%, while 928 schools were not registered and licensed, representing 48%. The balance of 134 schools were provisionally licensed. The provisional licenses for 102 out of the 134 schools had expired (exceeded the two years in operation) and had not been renewed, implying that the schools were operating illegally.

I further noted that except for the schools which were issued closure notices as far back as 2018 but are still operating, other schools had never been issued closure notices by KCCA. The above inactions affected service delivery, and the education service standards in the city schools are at risk of declining to worrying levels. This was attributed to the inadequate monitoring and enforcement by the KCCA education department. I advised the Accounting Officer to enhance the monitoring and enforcement of by the education department to ensure that all schools are dully licenced and registered.

1.4. Functionality of District Service Commissions

I noted that several Districts and Cities had not constituted Service Commissions contrary to section 54 (1) of the Local Government Act 1997. The table below refers

Table 56: Constitution and functionality of Service Commissions

Status of DSC	No of Districts & Cities	%age of total DSCs
Functional and fully Constituted-(5 members)	37	26
Functional but not fully constituted (4 members)-	46	32
Functional but not fully constituted (3 members)	59	41
Functional but not fully constituted (2 members)	2	1
Not functional	1	1
Total	**145**	**100**

Failure to constitute District and City Commissions affects service delivery since recruitment, promotion and confirmation of staff cannot not be undertaken.

I advised MoLG to ensure that going forward all districts have fully functional district service Commissions as required by law.

1.5. Review of the Operations of the Kampala District Land Board

The Kampala District Land Board is mandated by Section 54 of the Land Act to manage all public land within Kampala on behalf of the citizens. I reviewed the operations of the board for the financial years 2020/2021 and 2021/2022 and noted that the board did not have a substantive secretary, and there were no minutes for some of the meetings of the board. Further, the board had not prepared annual reports for the two years reviewed nor did the board prepare financial statements.

I also noted inadequate coordination between the Board and KCCA, failure by the board to fully automate its operations and lack of a complete and updated inventory of all the Public land under its management.

I advised the board to ensure that a substantive secretary is appointed, the board prepares financial statements, and an inventory of public land maintained. In addition, mechanisms should be put in place to ensure that there is proper coordination between the Board and other stakeholders on land matters.

2.0. PUBLIC ADMINISTRATION

a) Review of Operations of missions

(i) I noted that a number of Missions signed agreements with Insurance Companies for the provision of medical services to the Mission Officials. However, most of the insurance covers given to the foreign service officers did not cover heart diseases, diabetes, and major operations. As a result, officers have been forced to use their personal funds which is very costly for the foreign service officers. In some cases, the foreign service officers are forced to seek for refunds which contravenes the Public Service Standing Orders.

(ii) PPDA issued abridged PPDA guidelines to be used by missions when undertaking procurements outside Uganda. These guidelines are however impractical in most cases given the unique circumstances and procurement requirements in the different host countries. As a result, there has been a lot of non-compliance to these guidelines.

(iii) A review of the mission work plans and budgets revealed that most of missions were not provided with capital budgets in the past three years. As a result, missions were unable to undertake activities of a capital nature such as renovations of chanceries and offices, procurement of vehicles, and procurement of furniture. This undermines the efforts of promoting Uganda's image abroad.

(iv) I noted that Government continues to receive offers inform of trade opportunities, scholarships, financial offers among others. I however observed that Government does not have a comprehensive and effective system of follow-up on such offers. As a result, a number of offers have expired without action being taken by Government. This results in loss of a many opportunities for the country.

(v) At the end of every financial year Missions are required to return unspent funds back to the UCF. However, a comparison between the amounts wired back as per the financial statements and the Navision system and the amount received as per the actual receipts given by treasury shows that the value of these transfers is lost through exchange losses and bank charges. A review of funds returned by a sample of six missions revealed that UGX.15.8Mn was lost in bank charges and foreign exchange losses on various transactions made to return these unspent balances in two financial years.

I advised the PS MoFA to engage MoFPED for provision of adequate capital development funding for the missions and minimising the effects of foreign exchange losses on return of funds by the mission. In addition, the PS MOFA should engage PPDA to review the abridged guidelines issued with a view of addressing the current challenges procurement challenges faced by the mission. MoFA should also establish a mechanism for follow-up of on the offers provided to Government.

b) Failure to organise Women Councils/ Committees elections

The Electoral Commission planned to conduct women council elections following the end term of office for Women Councils/ Committees from village to national level which lapsed on the 23rd August 2022. During the financial year 2021/2022, the Commission undertook activities from verification of administrative units to nominations and spent UGX. 6,887,367,121, however the exercise was never completed and abandoned mid-way due to inadequate funding. As a result, there are no women representatives in the various Local Councils which contravenes the constitution. I advised the Electoral Commission to engage stakeholders particularly MoFPED and Parliament for provision of resources to have these elections concluded.

3.0. AGRICULTURE SECTOR

a) Status of the Sugarcane production project in Northern Uganda

Government of Uganda owns 40% of the shares in Horyal Investments Holdings Company Limited (HIHC) whose main business is the establishment and running of the Atiak Sugar Factory. During the year Government allocated UGX 108Bn for purchase of agricultural mechanisation equipment to be given to HIHC under a finance lease arrangement.

Atiak sugar factory was an intervention started by Government under the sugar cane out growers scheme. It started at the pioneer sugarcane production site in Atiak sub county Amuru District, and subsequently expanded to two additional sites in Lamwo district, namely, Palabek Kal (Lamwo-1) and Palabek Nyimur (Lamwo 2).

At inception in 2017, the intervention targeted to establish 13,841 acres of sugarcane at the pioneer site at Atiak, 15,000 acres at Palabek kal and 31,159 acres at Palabek Ogili site. By October 2019 only 7,906 acres of sugar cane had been established at the pioneer production site in Atiak after which the contractor ceased operations at the site. Similarly, by end of 2020 only 4,994 acres had been established at Palabek Kal Production site.

At the time of writing this report in December 2022, the project operations were currently on hold pending the acquisition of machinery through UDC. The project had not performed as expected due to the following;

(i) Slow progress at the Atiak site was attributed to adverse weather, difficulties experienced by the contractor in mobilizing the required heavy machinery, and the heavy rains during season 2018B.

(ii) Slow progress at the Palabek Kal production site was attributed to the shortage of seed cane within the proximity of the plantation site, difficulty in mobilizing labour and COVID 19.

(iii) Fire outbreaks in 2020 also wiped out a substantial acreage especially at the production site in Atiak.

(iv) The decision by the Shareholders (of HHIC Ltd) to halt operations after 2020 to allow for the proposed shift from the predominantly manual field operations mechanized farm operations under the oversite of Uganda Development Cooperation (UDC).

The delayed implementation of the sugarcane production project of Northern Uganda negatively impacts the livelihoods the beneficiary communities.

I advised the Government to review the performance of this investment and ensure that the contractor delivers all deliverables as agreed in the contacts.

b) Performance of Agricultural Extension Services

One of the key mandates of MAAIF is to support farmers within the country with high quality and reliable agricultural extension services. MAAIF is also the entity responsible for Pillar 1

(Agriculture Value Chain Development (Production, Storage, Processing and Marketing) under the PDM for which an effective extension system will be required.

I reviewed the current extension system and noted gaps for example; there were no performance indicators for extension workers, out of the desired 9,275 extension workers only 4,031 (57%) are available, the extension workers face challenges of transport, inadequate training among others. These challenges were due to insufficient budget allocations for this activity.

I advised Government to prioritize this provision of extension services through recruitment and training of extension workers, and provision of transport since the success of the PDM is directly affected by the effectiveness of extension services.

4.0. JUSTICE LAW AND ORDER SECTOR

a) Review of the Performance of the Police Canine Unit

Uganda Police Force had a total of One hundred seventy-nine (179) dogs in the police canine unit; I reviewed the management of the dogs by the UPF and observed the following.

The dogs are deployed in seventy-eight (78) policing districts out of the total of one hundred forty-five (145) Policing districts, representing a coverage of 58%. More than 50% of these are within Kampala. The unit requires three (3) veterinary doctors and 22 veterinary assistants to handle medical requirements for the dogs out of which the unit only has one (1) veterinary doctor and nine (9) assistants who are all based at the Canine headquarters in Kampala.

The unit has thirty (30) vehicles, seven (7) of which are grounded due to mechanical issues. Out of the remaining twenty-three (23), eleven (11) are allocated to Kampala, and the rest (52%) are spread across regions which affects the transportation of the dogs. The above was attributed to inadequate funding and prioritization of the unit within UPF. I advised the Accounting Officer to develop measures that will improve the geographical spread and availability of the dogs. There is also need to recruit more veterinary doctors and provide more vehicles to the unit to facilitate movement by the unit.

b) Operations of the forensic laboratory

The Police Forensics Unit was established to support criminal investigations by providing scientific means and study. This unit has four laboratories for; a) chemical, biological and radiology, b) questionable documents, c) criminal investigations, d) cybercrime and digital forensics. I reviewed the performance of these laboratories and noted the following;

- Out of the 446 cases received for chemical, biological, and radiology analysis, only 203 were analyzed and concluded, representing a performance of 46%.
- The questionable documents laboratory received 623 cases during the year 2021 in addition to a backlog of 1,161 at the beginning of the year. By the end of the year, only 511 cases were analysed and concluded, representing a performance of 29%
- The crime investigations laboratory had 407 scene of crime officers and only 224 Scene of Crime Officer kits, 210 cameras and 108 motorcycles. This implies that the available kits and cameras are insufficient since each of the Officers is expected to have a kit and camera at least.

- The cybercrime and digital forensics laboratory had a case backlog of 478 at the beginning of the year 2021 and received 330 cases during the year, out of these only 224 were analysed and concluded, representing a performance of 28%.

This performance affects completion of cases and delays administration of justice. The Accounting Officer explained that this was due to lack of sufficient funds to equip the laboratories and hire more staff. I advised the Accounting Officer develop strategies of ensuring that these laboratories are well staffed and equipped in order to improve their effectiveness.

c) <u>Lack of a Laboratory Information Management System for the forensic unit</u>

A Laboratory Information Management System is software that supports laboratory operations management. The software's key functionality includes sample management, including tracking a chain of custody, workflow management, integration with other systems for real-time reporting, and any other information that the users may require to track.

I observed that Uganda Police's Forensics Unit does not have a Laboratory Information Management System to manage its operations. As a result, the unit relies heavily on manual recording, which is cumbersome, inefficient, and prone to errors. I advised the Accounting Officer to ensure the implementation of a Laboratory Information Management System is fast tracked for improved operations.

d) <u>Assessment of Road map for Mass Registration and Renewal of National IDs</u>

NIRA is expected to undertake mass registration and mass renewal of the IDs that will be expiring in 2024. This will involve replacing old IDs with a next-generation ID system embedded with a microchip containing citizens' electronic and biometric information.

I noted that at the time of writing this report in December 2022, the Authority did not have a clear strategy and roadmap on how and when the new IDs will be rolled out, the costs involved, sensitization arrangements of the public were also not clear and other key activities such as signing of contracts for supply of the blank cards, procurement of equipment and recruitment of staff to manage the exercise were yet to be undertaken. There is a risk that the Authority will face challenges due to the large number of applications in 2024 which will result in processing delays, congestion and frustration of applicants.

I advised the Accounting Officer to develop a comprehensive roadmap and strategy which will guide the planning and execution of this activity.

e) <u>Court award and compensation</u>

In 2016, government decentralised the payment/retirement of court awards from the Ministry of Justice and Constitutional Affairs (MoJCA) to the Ministries, Departments, Agencies, Local governments and State Enterprises (MDALS) responsible for causing the obligations. The decentralisation of court awards and compensation was adopted to curb the accumulation of arrears arising from court awards and compensation, starting with obligations for the financial year 2016/2017. However, my preliminary findings indicate that some MDALSs still accumulate arrears from court awards even after decentralising the payment/retirement of court awards.

I sampled nine (9) entities for the review of court awards and compensation, and I noted the following;

f) Underfunding of liabilities arising from Court awards and compensations

I noted that nine (9) entities owed a sum of UGX.604,091,207,112 in outstanding court awards at the start of the year. Whereas these entities declared their liability fully to the Ministry of Finance for budgeting and settlement, only UGX.26,622,994,920 (4%) was provided, leaving a balance of UGX. 577,468,212,192 unbudgeted. Details are in the table below.

Table 57: Underfunding of liabilities from Court awards and compensations

No.	Entity	Required funding - UGX	Released funds - UGX	Variance - UGX
1.	Ministry of Justice	377,429,099,424	19,160,000,000	358,269,099,424
2.	Office of the Directorate of Public Prosecution (ODPP)	182,834,548	0	182,834,548
3.	Ministry of Lands, Housing and Urban Development	165,210,577,218	0	165,210,577,218
4.	Uganda Land Commission	5,690,000,000	160,000,000	5,530,000,000
5.	Ministry of Education and Sports	22,881,496,579	0	22,881,496,579
6.	Uganda Police Force	8,884,474,063	500,000,000	8,384,474,063
7.	Uganda Prisons Services	244,335,022	0	244,335,022
8.	Kampala Capital City Authority	23,019,117,745	6,802,994,920	16,216,122,825
9.	Ministry of Agriculture, Animal Industry and Fisheries	549,272,513	0	549,272,513
	Total	**604,091,207,112**	**26,622,994,920**	**577,468,212,192**

The failure to provide a sufficient budget for liabilities resulted in delayed settlement and further accumulation of interest on the outstanding debt. For instance, I noted that as of the 30th of June 2022, the outstanding awards at MoJCA had accumulated interest amounting to UGX.115,667,496,357, which is 73% of the principal amount awarded.

The Accounting Officers explained that the budgeting is not controlled by the respective entities but rather follow the budget ceiling provided by the Ministry of Finance; however, they pledged that they would continue to engage the relevant stakeholders, including The Presidential Advisory Committee on Budget (PACOB), the Committee on Legal and Parliamentary Affairs and MoFPED, to provide sufficient budget provisions to cater for the settlement of arrears.

I advised the Accounting Officers to engage MoFPED to ensure that adequate resources are allocated to settle the arrears.

g) Delayed settlement of Court awards as at the 30th of June 2022

I reviewed 278 court awards across six (6) entities and noted that 37 awards have remained outstanding for more than ten years; 116 cases ranged between 5 to 10 years without settlement. Details in the table below;

Table 58: Time taken to settle court awards and compensations

Details	0-4	5-10	11-15	Over 15 years
Ministry of Justice and Constitutional affairs	5	39	21	23
Uganda Land Commission	6	2	1	0
Uganda Prisons	4	7	0	0
Uganda Police Force	84	66	14	0
Ministry of Agriculture	2	0	0	0
Office of the Directorate of Public Prosecution	2	2	0	0
Total	**103**	**116**	**14**	**23**

Of these, the 23 cases in the Ministry of Justice had accrued interest of approximately UGX. 105,646,446,256 by the 30th of June 2022.

Delays to compensate affected parties result in further interest accumulation and deny timely delivery of justice. The Accounting Officers explained that whereas management is committed to the timely compensation of claimants, execution depends on the funding level availed by MoFPED.

I advised the Accounting Officers to put in place a system that ensures that claimants are compensated in time.

5.0. INFORMATION COMMUNICATION TECHNOLOGY SECTOR

a) Registration and certification of IT professionals and IT institutions without enabling regulation

Section 5(i) NITA-U Act, 2009 provides for the functions of the Authority to include; regulation of the information technology in Uganda in order to ensure its effective promotion and development. In addition, the Authority is required to act as an authentication centre for information technology training in Uganda in conjunction with the Ministry responsible for Education. However, I noted the following;

- The Authority is currently registering professionals and the training institutions without prescribed regulations and standards. Over 62 applicants for individual Service Provider and IT institutions applications were received since 2017, 13 of the applicants were certified and only 2 Individual Service Providers have updated certificates while the 11 are expired.

  The Accounting Officer explained that the Ministry of Justice and Constitutional Affairs advised that a regulation for IT Professionals would not suffice in governing and or regulating the IT Profession. They recommended the development of an ICT Professionals Bill, which the Ministry of ICT and National Guidance is spearheading.

- Relatedly, the Authority has Service Provider Regulations but they lack timelines for certification of applicants. Consequently, clients of the Authority continue to operate without renewal of certification. From a sample examined, I observed that seven (7) companies were providing services to MDAs without certification.

Management explained that it has instituted additional measures to address the matter.

Under the circumstances, the registration and certification without enabling regulations is irregular.

I advised the Accounting Officer to strengthen and align NITA-U in the delivery of its mandate by developing and implementing all the required regulations, laws and standards.

b) Failure to Charge 2% Gross Annual Revenue for Registered Television Stations and FM Radio stations

The UCC New License Framework on fees and fines under General Notice No. 977 of 2017 as published in the Uganda Gazette on 3rd November 2017, provided for the 2% gross annual levy on licensed operators such as commercial televisions and radio stations.

However, I noted that UCC had not enforced the payment of a 2% gross annual levy on the licensed Television and FM radio operators, and no licensed Television and FM radio operator had submitted audited financial statements to the Commission for assessment.

Failure to collect a 2% Gross Annual Revenue levy from the operators deprives the Commission of revenue hence affecting the implementation of activities to deliver services to the public.

The Accounting officer explained that the Broadcasters under their Umbrella the National Association of Broadcasters appealed the levy to the Minister of ICT & National Guidance and the appeal had not yet been resolved.

I advised the Accounting Officer to follow up on the outcome of the appeal from the Minister of ICT & National Guidance. In the meantime, the Commission should comply with the provisions of the existing law and institute a mechanism to levy a charge on the GAR of the operators.

c) <u>Operations of Smiles Telecommunications Limited</u>

Part II of the Uganda Communications (fees and fines) Amendment Regulations 2020 states that an operator who without authority from the Commission discontinues its services licensed by the Commission is liable to a fine of up to 10% of the Gross Annual Revenue of the Operator.

M/s Smiles Telecommunications Limited discontinued its operations in January 2022 without any authorization from the Commission. UCC however, did not suspend or revoke the license as guided by the Act. The Commission did not fine M/s Smiles Telecommunications Limited for violating the terms and conditions of the issued license.

Furthermore, I noted that M/s Smiles Communications Uganda Limited has an outstanding obligation to UGX.227.300Mn and USD.505,079.47 payable to UCC. The Commission had not put any measures to recover this money from M/s Smiles Communications Uganda Limited.
With the discontinuation of M/s Smiles Telecommunications Limited's operations, the Commission is at risk of losing the outstanding revenue from the Company as well as loss of funds by the subscribers.

The Accounting Officer explained that effective 1st July 2020, the Commission introduced a new licensing framework where all existing operators were required to apply for licenses of their choice and transition to the new licenses. In the meantime, all existing operators were given the authorization to continue providing services as the Commission was evaluating their license applications. As part of the transition Smile applied for a Regional PSP and National PIP but midway, they changed their application to a Regional PIP and Regional PSP license. The process is still ongoing, save for the general authorization issued to all transiting operators, Smile Communications does not hold a valid license.

The procedure leading to a fine of up to 10% of the operator's gross annual revenue under the fees and fines regulations would arise where the operator on their own discontinues services or operations. In the case of Smile, the discontinuation of services was a result of an action by M/s American Tower Company Ltd (ATC) disconnecting their network for failure to pay accumulated tower carriage fees.

It was further explained that Smile took ATC to court citing irregular and unfair treatment leading to the disconnection. The case is still ongoing. The Commission is monitoring the progress of the court case as it also engages both ATC and Smile for a possible amicable settlement of the underlying dispute.

I advised the Accounting officer to put in place measures to ensure that the outstanding obligation is recovered from M/s Smile communications Uganda Limited, as I await the outcome of the ongoing initiatives on the matter.

d) Lack of a policy on confiscated equipment

Regulation 112(1&2) of the Uganda Communications Commission (Licensing) Regulations, 2019 stipulates that the Commission may upon an investigation, confiscate from a licensed operator or agent of an operator or any person any apparatus which is possessed, installed, connected or operated unlawfully. The owner of any apparatus confiscated by the Commission may appeal to the Uganda Communications Tribunal against the confiscation within 30 days.

On several occasions, the Commission has confiscated equipment from operators however, there are no laid down procedures on how this equipment should be stored, returned to the operators, or even destroyed and who is responsible for the costs thereof. This is attributed to the failure of the Accounting Officer to come up with the procedures, for the Board's approval, on how the confiscated equipment should be managed.

The lack of a policy may lead to misuse of the confiscated equipment and may deepen disputes and cause financial losses to Government.

The Accounting Officer explained that the development of the policy on the management of the confiscated equipment was ongoing. The Policy was currently at the draft stage and management expects full approvals and policy to be in place by March 2023

I advised the Accounting Officer to expedite the development of a policy on the management of the confiscated equipment to mitigate associated the risks.

e) Delayed completion of the National E-commerce Platform

The Commission is spearheading a project to design, build and pilot an enterprise-grade smart E-commerce platform that is aimed at supporting SMEs in the informal sectors of the Agriculture, Retail, and Services industry in Uganda, in order to promote access to online sales, overcome challenges in delivering too hard to reach communities and to spur economic growth. The National E-commerce platform seeks to develop and deploy an ICT-enabled platform through which SMEs in the targeted informal sector can reach wider national and international markets, enable seamless payments and banking and obtain data-driven business insights and manage their sales inventories.

The project is worth UGX.843.4Mn was approved by Top Management on 10/05/2021 and was intended to be completed by 18th April 2022.

I however noted that by the time of the audit in October 2022, the platform had not been completed and was therefore not ready for implementation, contrary to the objectives of the project as well as the ToRs of the steering committee members. This was attributed to delays in the procurement of the necessary computer equipment.

With delayed completion of NEP, SMEs in the informal sector lose out on the benefits of E-commerce.

The Accounting officer explained that the completion of the platform development processes was affected by a prolonged delay in procurement and delivery of the high-performance computer with graphics processing unit capability and hosting server, caused by the global scarcity of computer chips. The specialized computer and server were however received at the end of October 2022 and the team was now completing the final installation and configuration of the systems. The project steering committee had prepared a final report to Management for consideration of the recommendations on how the project would be implemented beyond the development phase.

I advised the Executive Director to liaise with the project steering committee members to ensure that the NEP is completed and operational to support SMEs in the informal sector

f) <u>Sharing of funds for information and communication technology development</u>

Regulation 10 (1) (a) of the Uganda Communications (Universal Service and Access Fund) Regulations, 2019 provides that the Fund shall be utilised for information and communication technology development and rural communications. The percentage of the monies shall be shared between UCC and the Ministry of Information and Communications Technology (MoICT).

However, the Regulation does not provide the sharing ratio and/or details against which the sharing would be based. During the year under review, the Commission budgeted to transfer UGX.6.5Bn to MoICT for its share from the information and communication technology development fund. The basis for arriving at this figure could not be supported.

Without the basis of the percentage sharing ratio, I was unable to establish how the amount transferred was arrived at. The lack of these ratios creates uncertainty in funding and may lead to inter-institutional funding conflict.

The Accounting Officer explained that the proportions are based on the Ministerial guidance issued by the Minister following the enactment of the Communications Act of 2013 in respect of ICT development.

I advised the Accounting Officer to follow up on the matter with the UCC Board and the Minister for ICT to specify in the regulations the sharing ratio between the benefiting institutions.

g) <u>Low reduction in the cost of internet</u>

The World Bank funded the expansion and extension of the NBI/EGI through the Regional Communication Infrastructure Program (RCIP) to increase internet accessibility and affordability to MDAs, Lower Local Governments and the everyday user. At the commencement of the Last Mile project under RCIP, the Internet cost was USD.70 per MBPS, which was to be reduced to USD.20 per MBPS at the completion of the Last mile project under RCIP. The RCIP World Bank project was completed by 30th August 2022, which resulted into an increase of connectivity on the number of active sites from 321 MDAs to 1,400 MDAs, lower local authorities, schools and hospitals on to the NBI/EGI.

However, I noted that the projected reduction in cost of the internet to USD.20 per MBPS has not materialized, despite an increase in the number of sites connected to the NBI/EGI. Failure to reduce the internet cost will deny service delivery such as affordable communication and electronic learning in both public and private institutions country wide.

The Accounting Officer explained that NITA-U had engaged PSST on the same and the final discussions are underway to reduce the cost to USD.35.

I await the outcome of the engagement with PSST and further urge the Accounting Officer to review the Internet Billing Card/costs to achieve the intended goal of increasing internet connectivity and affordability.

h) Weaknesses in certifying ICT service providers

NITA-U's strategic goal Part 1, aims to achieve a well-regulated Information Technology (IT) environment in Public and Private Sector, while Part 2, is to Strengthen capacity and awareness creation about IT in Uganda (both institutional and human).

I sampled and observed from a total of Seven (7) companies that they were providing services to MDAs without certification by NITA-U and therefore compromising on the quality of services or goods received. A further review of the certification tool revealed that the Authority has been able to register 686 applications from inception and only 301 certifications are valid. The risk that unqualified and sub-standard works fill the market is highly likely and that insufficient consumer protection in regards to IT Services and Products goes un-monitored.

Management explained that NITA-U had instituted additional measures for renewal of certifications that had expired. They also continue to partner with key stakeholders such as Bank of Uganda, Lotteries and Gaming Regulatory Board, heads of PDUs, Professional Associations and others who require that their licensees/ bidders for IT Services obtain the NITA-U certification before they apply for a license/bid for services.

I advised the Accounting Officer to institute measures of follow-up and management of the certification process of the IT service providers country wide.

i) Refund to World Bank of ineligible EGP funds - USD.249,500

Government of Uganda (GoU) with funding under RCIP Phase V, invested in the E-Government Procurement system (e-GP system) and contracted a supplier at an initial system acquisition cost of USD.1,347,000. However, in a letter dated 26th June 2020 from the MoFPED and addressed to the Executive Director NITA-U, the government expressed concerns about the approach of the System provider and the long-term sustainability of the e-GP system project. Reference is also made to an Aide Memoire from the World Bank dated 8th – 12th February 2021, in which the World Bank acknowledged receipt of a termination request of the e-Procurement Contract.

I noted that subsequently, the PSST requested the Executive Director of NITA-U to refund a total of USD.249,500 worth of payments to the World Bank. The payments to the Vendor were found to be ineligible due by the World Bank, due to the absence of a no objection in accordance with the guidelines.

Undertaking project expenditures without obtaining the required no-objections exposes the project to a risk of suspension by the World Bank of disbursements of funds to qualifying project expenditures that are supported by the Bank.

Management explained that the World Bank guideline was complied with. However, the payment was made based on the approval for termination of the contract by the Steering Committee under the MOFPED and a no objection by the World Bank.

I advised the Accounting Officer to always comply with the World Bank guidelines to avoid penalties that will cost Government.

6.0. ACCOUNTABILITY SECTOR

a) Un-funded Approved Consolidated Budget

The PFMA, 2015 Section 15 (1) and (2) requires that after approval of the annual budget by Parliament, the Secretary to the Treasury shall issue the annual cash flow plan of the Government, based on the procurement plans, work plans, and recruitment plans approved by the Parliament. The annual cash flow plan shall form the basis for the release of funds by the Accountant General to the Accounting Officers.

During the financial year 2021/2022, Parliament appropriated an initial budget of **UGX.44.778Tn** which was later revised to **UGX.51.562Tn** through a supplementary budget of **UGX.6.784Tn**, to finance Government expenditure as summarised in the table below;

Table 59: Government budget performance per spending category

	Initial Budget (UGX Tn) A	Revised budget (UGX Tn) B	Total warrants (UGX Tn) C	Actual expenditure (UGX Tn) D	Unwarranted funds (UGX Tn) E=B-C	Unutilized warrants (UGX-Tn) F=C-D	% warranted funds	% Warrants spent
MDAs	39.943	46.287	43.759	39.927	2.528	3.832	94.54	91.24
LGs	4.836	5.275	5.095	4.508	0.18	0.587	96.59	88.48
Total	**44.78**	**51.562**	**48.854**	**44.435**	**2.708**	**4.419**	**94.75**	**90.95**

Source: *OAG analysis of the Government budget performance report*

While the approved revised budget was **UGX.51.562Tn,** the total amount warranted was **UGX.48.854Tn** causing a variance of **UGX.2.708Tn.** This implies that the supplementary budget was approved without identifying the funding sources. Consequently, the supplementary warrants were funded using resources meant for MDAs and LGs leading to budget shortfalls in some Votes.

Warrants totalling **UGX.48.854Tn** were issued to different votes and a total of **UGX.44.435Tn** was spent leading to an underutilization of **UGX.4.419Tn**. This was due to insufficient funds, cancelled invoices, unimplemented activities by MDAs and LGs as well as late releases among others.

I further observed that a total of **UGX.44.435Tn** was spent against warrants of **UGX.48.854Tn** indicating unutilized warrants of **UGX.4.419Tn.** This implies that there was no need for a supplementary budget since the original budget was not fully funded.

Failure to fully fund the revised budget affected the implementation of the planned activities which were intended to contribute to the achievement of the NDP III and Vision 2040.

I advised Government to adopt prudent budgeting principles by periodically reviewing its priorities against the funding mix and ensuring that all supplementary appropriations are supported by new funding sources. Besides, Management should warrant funds based on the money available in the consolidated fund.

b) Public debt portfolio analysis

The reported total public debt as at 30th June 2022 stood at **UGX.86.6Tn,** of which Domestic Debt Stock was **UGX.38.1Tn** and the External Debt Stock was valued at **UGX.48.5Tn**. This is an increase of **UGX.11.5Tn**, equivalent to 15.31% when compared to the debt stock of **UGX.75.1Tn** reported as of 30th June 2021. Refer to Table below for details;

Table 60: Government Debt Stock

Financial year ended	Domestic debt (UGX Tn)	Foreign debt (UGX Tn)	Total (UGX Tn)	% change
June 2022	38.1	48.5	86.6	15.3%
June 2021	30.8	44.3	75.1	24.3%
June 2020	18.0	38.2	56.9	23.5%
June 2019	15.2	30.9	46.1	11.1%
June 2018	13.1	28.4	41.4	

Source: *Audited financial statements of Vote 130*

From the above analysis, it was noted that there has been a consistent increase in the total debt as evidenced by an increase of 109% in the five years from 2017/18 **(UGX.41.4Tn)** to **UGX.86.6Tn** as at 30th June 2022. The net increase in debt is due to increased borrowing from both domestic and external sources, with domestic debt accounting for a higher increase. The composition and trend of debt are highlighted in the figure below;

Public debt is continuously on the rise, a fact that is attributed to persistent budget deficits (mismatch of Government revenue and expenditure), rollover of liquidity papers, Bond switches, private placements, new borrowings for various development projects and foreign exchange loss arising from the depreciation of Ugandan Shilling against stronger currencies.
I advised that Government should prudently project and manage the funding mix as well as review its priorities to avoid escalation of debt beyond a sustainable level.

c) Movement of domestic debt stock

The domestic debt portfolio is composed of long-term borrowings (Treasury Bonds and Government Bonds), short-term borrowings (Treasury Bills and Government overdraft/temporary advances), Court Awards, and principal and Interest payments.
The country's domestic debt stock, which is mainly on Treasury Bonds and Treasury Bills, and un-securitised debt amounted to **UGX.38.15Tn** as of 30th June 2022 [2021: **UGX.30.8Tn**]. Trends for the past four years of domestic debt portfolio are shown respectively in the table and graph below;

Table 61: Domestic debt stock for the past four years

FY	Domestic Debt Stock (face value)	Increase	
	UGX-Tn	UGX (Tn)	%
2021/22	38.1	7.3	23.7
2020/21	30.8	12.9	71.5

2019/20	18	2.5	16.0
2018/19	15.5	2.4	18.7
2017/18	13.1		

From the above, it is evident that domestic debt has kept growing over the years at an average rate of more than 23.1%.

Continued reliance on Net Domestic Financing signals the Government's borrowing appetite, whereby the market players are inclined to demand increased rates well aware of the fact that Government is in dire need to finance the budget.

In addition, commercial banks will prefer lending to the Government instead of the private sector thus crowding out the private sector.

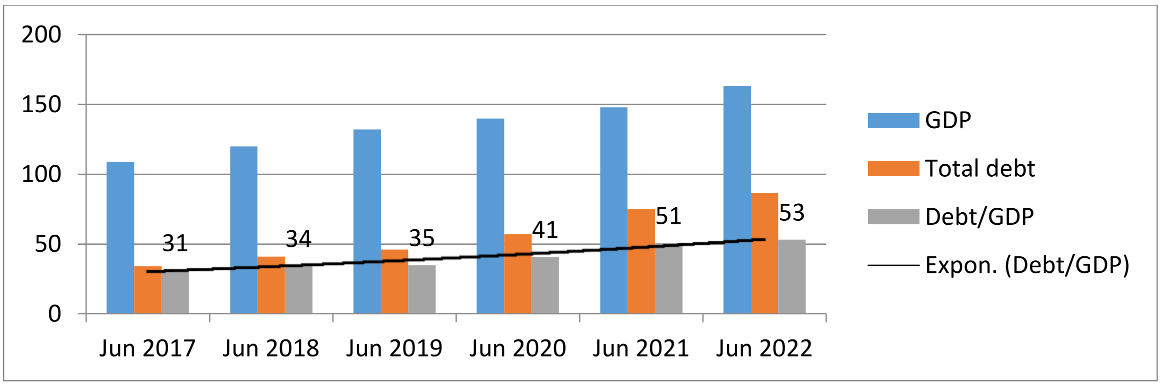
I have advised Government to consider initiating steps to reverse this trend and ensure fiscal budget discipline and promptly servicing a portion of such domestic obligations including interest.

d) <u>Assessment of debt sustainability</u>
i.<u>Debt to GDP ratio</u>

The Debt to GDP ratio is a measure that compares what a country owes (total debt) and what it produces (manufactures or a service provided). The ratio reliably indicates a country's ability to pay back its debt. A high debt-to-GDP ratio may make it more difficult for a Country to pay both internal and external debt and may lead creditors to seek higher interest rates to compensate for financing risk due to likely default or unnecessary debt extension.

Though the IMF has recommended 50% as the point of safety, many developed countries have gone up to 200%. However, according to the IMF, developing countries are more prone to economic shocks and exchange rate risk, thus advising on a 50% threshold.
A review of Uganda's Debt to GDP revealed a consistent linear growth over five years and in the year under review, it was noted that Debt to GDP grew by 22% from 31% to 53%. The graph below illustrates the movement;

<u>Graph showing Debt to GDP ratio</u>



Source: *GDP Data from Uganda Bureau of Statistics and graphical representation by OAG*

From the above, it can be seen that though Uganda's GDP has been increasing over the years since FY2016/17, its debt position has also increased. The rate of increase of debt is higher than the rate of increment in the GDP levels, which creates a risk factor of accumulation of unsustainable debt.

The Country is now at the set benchmark by the World Bank for unsustainable Debt. I noted that the country is already facing the impact of public debt which is evidenced by debt restructuring and the high cost of borrowing offered by the lenders. In the FY 2020/2021 and 2021/2022, Treasury restructured debt totalling to UGX.0.9Tn by way of bond switches that attracted an additional interest of UGX.1.2Tn.

The Government should consider exploring ways of reducing dependence on debt while exploring avenues of enhancing revenue generation for the country and/or reducing/rationalising government expenditures and investments.

ii.Interest to total revenue ratio

The country's risk benchmark sets the maximum proportion of the domestic revenue that goes into servicing domestic interest costs. Since donor grants are inherently subject to uncertainty, the interest cost of domestic debt is considered in relation to the domestic-raised component of the budget only. The table below shows the trend of the interest accruing against the risk benchmark over the 5 year period;

Table 62: Interest in the total revenue ratio

Financial year	Total domestic Revenue – UGX-Tn	Total Interest – UGX-Tn	% of Interest to revenue	Benchmark
2021/22	22.8	5.5	24.1	<12.5
2020/21	19.9	3.98	20.0	<12.5
2019/20	17.5	2.5	14.2	<12.5
2018/19	17.1	2.0	11.71	<12.5
2017/18	15.2	1.9	12.73	<12.5

The interest-to-revenue surpassed the risk benchmark as illustrated in the graph above. During the year, **24.1% (UGX. 5.5Tn)** of the revenue collected was utilised towards the interest payments and **UGX.1.4Tn** in principal debt repayment representing 6% of the domestic revenue collected. Therefore **30.1% (UGX.6.9Tn)** of the total revenue collected was used to service the debt (principal and interest) leaving only **69.9% (UGX.15.93Tn)** available for funding other critical Government expenditures.

The amount available for service delivery constitutes **30.89%** of the total revised budget of **UGX.51.56Tn** implying that **69.1%** was financed by grants and loans.

I advised the PS/ST to devise strategies for reducing the growth of interest expenditures while at the same time increasing revenue mobilisation.

e) Underperformance in Revenue collection

Uganda Revenue Authority (URA) had a total revenue collection target of **UGX.22.802Tn**, of which **UGX.22.098Tn** was realised, representing 96.9% of the budget and therefore resulting into a shortfall of **UGX.704.55Bn** (3.1%) for the financial year 2021/22, compared to the prior year's shortfall of 11%.

Under-collection of revenue affects the overall delivery of Public services by Government and leads to the escalation of public debt as borrowing increases to close budget funding gaps.

URA Management explained that the organisation is focused on closing all revenue collection loopholes by revamping the Business Intelligence tool (e-hub) into a data lake to facilitate big data analytics for compliance support in audits and investigations; Working with the Government to curb tax expenditures in the form of exemptions, allowances rate reliefs among others.

I commended URA Management on the revenue collection improvements and urged the Accounting Officer to make all necessary efforts to close revenue collection loopholes to ensure sustainable collection of the planned revenue.

f) Pending Tax Appeals

A review of the tax disputes received and managed by Tax Appeals Tribunal (TAT) revealed that 163 cases with a value of **UGX.356.7Bn** were pending before the Tribunal. This was attributed to the inadequate numbers of Tribunal members that limit their ability to hear and make timely rulings for all the tax appeals the Tribunal receives timely. Included in the pending cases is one case for VAT and exercise duty amounting to **UGX.14.19Bn** which has been outstanding for more than 11 years. Below is the ageing list of tax cases;

Table 63: Ageing analysis for pending cases

No of cases	Details	Taxes Amount in contention – UGX Bn
15	Cases of more than 2 years	85.8
23	Cases above 1 (one) year and less than 2 (two) years	111.6
125	Cases below one year	159.3
163	**Total**	**356.7**

Source: *OAG Analysis*

Long outstanding tax disputes lock potential Government revenue that would have been used to deliver services and is a disincentive for effective tax mobilization.

Management explained that mediation has been adopted at the Tribunal and this has helped resolve 70% of the tax disputes. Management further explained that the TAT Act was amended this year in June 2022 to allow for 4 more members. However, the operationalisation of this has been pushed to the subsequent year when funds are available.

I await for the appointment and deployment of the four tribunal members.

g) Inadequacies in handling precious minerals by URA

I reviewed the processes of revenue collection of mineral exports and noted that;

- I noted that a total of **UGX.340Bn** in taxes had not been collected from Gold exports valued at **UGX.6.962Tn** for the year under review. Management attributed non-collection to the Minister's statutory guidance of staying the implementation of the 5% export levy.

- There was no documented step-wise processes on how the importation and exportation of precious minerals should be handled by the customs officials. The processes are not embedded in the customs business compendium despite precious minerals being of high value, exposing the Authority to a risk of loss of revenue.

- I noted that the exportation of Gold was being processed manually, with only two entries captured during the year under review.

The Government is at risk of loss of revenue if the Minister's statutory guidance is not reviewed and the processes are not enhanced.

I advised the Accounting Officer to streamline documentation of mineral imports and exports and engage the Minister responsible to enforce the Mining (Amendment) Act 2021. In addition, the Authority should initiate to recover the taxes due up to the date when the new law became effective.

h) Weaknesses in management of digital stamps

UNBS / URA and a Supplier executed a framework contract for the supply, implementation, training, commissioning, support and maintenance of a DTS Solution, dated 4th October 2018, for a period of five (5) years, effective from the Go-Live Date at the unit prices specified in the Contract. The DTS solution involves affixing digital stamps (specialised paper stamps or digital imprints) on all excisable gazetted products as and when they are manufactured or imported with information being transferred to URA in near real-time. The solution enables the tracking and tracing of the product throughout the supply chain.

The digital stamp fees are collected by URA and remitted to the Supplier. The fees structure varies from commodity to commodity but includes **UGX.3** for UNBS conformity stamps. I reviewed the contract and noted that there was delayed implementation of the conformity stamps by Uganda National Bureau of Standards (UNBS) because of lack of the regulations.

Management attributed this delay to the long process of formulating regulations as required by the law. As a result, UNBS has failed to claim the conformity stamp levy totalling **UGX.19.754Bn**.

Failure to implement Digital Conformity Stamps not only affects UNBS revenue performance but also derails the Governments focus on ensuring compliance to Quality Standards aimed at reducing substandard items in the market.

I advised the Accounting Officer to expedite formulation of the Digital Conformity Stamps Regulations.

i) Cancellation of Loan for Construction of Muzizi Hydropower plant

In the year 2016, the GOU signed financing agreements with the ADF and KFW to fund the construction of a hydropower plant in Muzizi the project was for the construction of a 45 MW Muzizi hydropower plant in western Uganda, intending to improve the electricity supply to the growing economy and the households.

In my report for FY 2019/2020, I pointed out the challenges of under-absorption of funds for this project and in the report for FY 2020/2021, I further pointed out the losses associated with the failure to absorb the said loan.

In a letter dated 22nd February 2022, the Minister sought to cancel the loan agreement entered into with KFW. In a letter dated 11th May 2022, the KFW acknowledged and agreed to the cancellation of the loan.

I noted that the GOU in the FY 2020/21 decided to cancel three loans that had been contracted, as shown in the Table below;

Table 64: Cancelled loans

SN	Loan particulars	Loan Amount (Euro-Mn)	Date of signing
1	Construction of Muzizi Hydropower Plant	40	25 November 2016
2	Construction of Muzizi Hydropower Plant	45	09 December 2016
3	KfW Grant Finance (Euros)	5.36	22 September 2015
	TOTAL	**90.36**	

The following observations were noted;

i. I noted that from the date of execution of the said loan to the cancellation, the GoU had paid to the KFW a total of **UGX.3.967Bn** in commission fees for unutilised funds. This in effect caused a financial loss to the GOU of the said amount as there was no benefit for the said money. The failure to absorb the funds therefore can be categorised as a nugatory expense.

ii. In a letter dated 14th July 2022, the KFW indicated that the total amount payable for the cancellation of the loan would be **Euro.1,171,875** as cancellation and commitment fees. The said letter was countersigned by the Minister of Finance on 11th July 2022.

iii. The audit noted that the initial agreement entered into by the GOU and the KFW had a draw-down period of 30th December 2021. Following the lapse of the draw-down period, the government successfully secured a renewal of the facility. The same facility was subsequently cancelled which cost the GOU a total of **Euro.1,171,875** (Equivalent to **UGX.4.657Bn**). This payment amounts to an unnecessary payment which could have been avoided either by allowing the facility to lapse or not renewing it before cancellation.

iv. There is no evidence that the Minister sought the advice of the Attorney general before the cancellation process was undertaken.

v. A review of the status reports provided to the MOFPED by UEGCL on the execution of the project revealed that the UEGCL had expensed some funds totalling **UGX.2.695Bn** towards the compensation of Project Affected Persons (PAPs) and acquisition of land. This indicates that the additional expense of GOU if not properly secured could also be a nugatory expenditure by government.

The continued delays in absorbing the loan amounts will continue to expose GOU to unnecessary payments of commission fees which could have been avoided.

I advised Government to ensure the absorption of all loans to mitigate the risk of losses in form of commission fees for un-disbursed funds.

j) Rehabilitation of the Tororo-Gulu Railway Line

The European Union and the Government of Uganda are supporting the development initiative for Northern Uganda through the rehabilitation of the Tororo - Gulu railway line, which commenced in March 2020 and is expected to be completed in the second half of 2023. The total cost project cost including supervision and resettlement action plan among others amounts to Euros 47.6 million, of which the Government of Uganda will contribute Euros 26.1 million (UGX.113) and the European Union Euros 21.5 million (UGX.93 Bn).

The Tororo – Gulu Railway Line will go a long way to divert cargo from road to rail and create an alternative mode of transport which is cheaper and more environmentally friendly because of less emission of green gasses. This route will also provide a link between the port of Mombasa and Northern and Eastern Uganda, as well as South Sudan and the Democratic Republic of Congo

On 16th December 2019, The Government of Uganda signed a grant financing agreement of up to 34.6 million Euros with the European Commission. The grant termination date was 10th December 2023. I noted the following**;**

k) Failure to honour GOU co-financing obligation leading to termination

In the Grant agreement signed between the GOU and the EU the parties resolved that the total cost of the project would be **Euros.34,600,000** of which the GOU would be responsible for the financing of a total of **Euros.13,100,000**.

Contrary to article 65.1 of the grant agreement, GOU defaulted on their contribution to payment of the contractor. This resulted in the termination of the contract by the contractor. By the time of termination, **Euros.3,112,726.52** was due to the contractor. As at 30th August 2022, only 15.47% work had been completed. Article 65.3 states that in the event of such termination, the contracting authority shall pay the contractor for any loss or damage the contractor may have suffered. The maximum amount shall be 10% of the contract price.

As a result of the termination, the Government of Uganda will incur termination damages up to 10% (Euros.3,933,775.6). According to the Monthly progress report no. 34 of August 2022, Termination claim 3 had not yet been submitted by the contractor for final determination and estimation of amounts due. A review of the Treasury Operations financial statement indicated that no contingent liability had been provided for/ disclosed with respect to the outstanding claim.

I advise the Accounting Officer to provide for the liability in the financial statements.

l) Conflict of PFMA and Financial Institutions Act

Sections 35 and 81 of the PFMA 2015 provide guidance on the processes and procedures to be taken when executing a proposal to write off a public asset by the GOU. This indicates that unless the Parliament resolves and authorizes a write-off of any asset, no write-off can be undertaken with the limited exception of a write-off by the minister under section 35(4).

The Financial Institutions (Credit Classification and Provisioning) Regulations, 2005 guides the different Financial institutions including the public banks on the classification of different facilities. The regulation provides for the write-off of capital after it reaches a loss classification. This has an effect on the capital of the company and in effect the position of GOU shareholding for the banks in which the GOU has interests.

The conflict in laws has resulted in uncertainty in the decision-making on how to address losses in Financial institutions.

Management is advised to liaise with relevant stakeholders and reconcile the position of the law.

7.0. ENERGY SECTOR

a) Rampant Vandalism of the Electricity Infrastructure

I noted cases of increased vandalism on UETCL's installations specifically the transmission lines, substations and towers. Examples of stations which have been vandalised include; Namanve substation - theft of capacitor banks, Queen's way substation - theft of copper cables, Soroti substation - theft of transformer oil, NELSAP Transmission Line - destruction of towers and vandalism.

In the FY 2021/22 UETCL incurred UGX 494.15Mn to purchase Galvanized Angle bars to replace vandalized tower members excluding replacement costs. Further analysis revealed that the company also incurred UGX 1.56Bn in replacement costs on assorted transmission line items vandalized between 2017 and 2021.

According to a management report, 135 towers were vandalised and re-instated in the period between May 2021 and June 2022. In the last four (4) months preceding December 2022, 255 (53% of the prior year number) had been vandalised and reinstated.

In addition Management asserted that it had spent UGX 3.86Bn to provide a temporary solution in form of wooden structures so as to restore supply. The estimated cost of replacing a 220kV tower is UGX. 220Mn and UGX. 120Mn for a 132kV tower. This translates to UGX. 12.72Bn for the collapsed towers after vandalism within a period of two years.

The total estimated cost including the cost of repairs, replacement and security is UGX 16.58Bn as at 15th December 2022.

Failure to stump out the vice by Government may cause severe socio-economic consequences including retarding economic growth.

The Accounting Officers in the electricity sub-sector explained that the recent vandalism was unprecedented, and it has become a national security matter whereby Government security agencies have been asked to take up the matter, and a number of arrests made.

I advised Government to ensure that the security of the power infrastructure is enhanced to safeguard the integrity of the power lines, substations and the attendant equipment.

b) Operation and Maintenance of Isimba Hydro Power Plant (HPP)

Isimba dam is a newly constructed 183 MW per hour dam supplying approximately an average of 105 MW per hour to the National Grid, during the year. I noted that the physical completion of the dam was at 99.5% whereas the financial progress stood at 94.7%. The project is under a new Defect Liability Period (DLP) till March 2023, after the expiry of the earlier DLPs, which were extended twice in in March 2021 and March 2022. A number of snags were yet to be addressed.

As the contactor was rectifying the snags, the dam was hit by floods heavily damaging the power house which led to a total shut down of the plant for over ten (10) days. The Company spent UGX 1.3Bn to fix the damage, however, other repairs and replacements were yet to be undertaken and therefore the cost is anticipated to be much higher.

The flooding was attributed to the contractor's failure to fix all the snags including; a malfunctioning Gantry Gate, safe access to the plant facilities and lack of operational and maintenance manuals to guide the staff on the safety precautions that needed to be undertaken.

There is a risk that if these snags are not addressed in a timely manner, the costs of the owners' engineer and feasibility of the project may affect the overall plant effectiveness. Furthermore, the risk of the flooding re-occurring cannot be ruled out if the causes are not clearly established and rectified in a timely manner.

The Accounting Officer explained that the EPCC has committed to fix all outstanding defects before the defects liability period ending 31st March 2023. UEGCL is preparing a claim against EPCC.

I advised the responsible Accounting Officer to ensure that the snags are rectified in time. Going forward, a robust maintenance place should be put in place and implemented.

8.0. GENDER AND SOCIAL DEVELOPMENT SECTOR

a) Inadequate measures to curb the increasing number of street children

The Ministry did not regularly carry out activities to control and manage street children by identifing gaps and suggesting recommendations towards eliminating them and improving their welfare. Whereas the Ministry estimates that the number of street children could be 1,000, only 292 could be accounted for leaving 708 children untraceable.

This was caused by inadequate allocation of financial resources and staffing gaps for community development workers at the districts to carry out their activities relating to child protection.

There is a risk that the street children will continue to be a challenge to the country which could eventually result into increased urban crimes.

The Accounting Officer explained that the Ministry had a strategy for management of street children which is used alongside other Policies and enacted laws like the National Child Policy 2020 and its Implementation Plan (FY 2020/2021-2024/50, Practical Guidelines for Working on Street Children, Prevention of Trafficking in Persons (PTIP) Act, 2009, Kampala Capital City Child Protection Ordinance 2022 and the Local Government Act (1997 as amended- Child Care and Protection is a decentralized Service under Schedule II). He further explained that the Ministry had withdrawn a total of 1,582 children from Kampala streets, transported and rehabilitated them at Kobulin Youth Skilling Centre, Napak District during the period 2017 to 2022.
I advised the Accounting Officer to engage relevant stakeholders and institute measures to eliminate or control existance of street children. In addition, the Accounting Officer should consider engaging the source communities and address causal factors.

9.0. LAND SECTOR

a) Management of Public Land

Government of Uganda owns land both in Uganda and abroad. This land is held for purposes of service delivery to Citizens. Section 45 of the Public Finance and Management Act (PFMA), 2015 (as amended) requires the Accounting Officers across Government to be responsible for the management of the land under their custody. A review of the Management of Public land in 56 selected Ministries, Departments and Agencies (MDAs) and Local Authorities (LAs), over a four year period ending 30th June 2022, revealed the following;

(i) Planning & Budgeting for Land Acquisition

Instruction 3.9.5 of the Treasury Instructions, 2017 requires the budget estimates to be based on the pre-determined objectives and outputs as provided in the strategic plans of the sector or entity. A review of a sample of 56 MDA's and LA's, revealed that 40.47 hectares of Government land acquired at UGX 0.647Mn in the period under review were not adequately planned for in the various entity Strategic Plans and 6.4 hectares costing UGX 0.627Bn were acquired by MDAs and LAs but had not been adequately budgeted for. The un-budgeted acquisitions were not aligned to the development goals and priorities as per the NDP III, sector, entity plans and budgets.

I also noted that out of the total budget of UGX 8.9Bn for land acquisition, UGX 7.3Bn (82%) was availed, resulting into a shortfall of UGX 1.6Bn (18%). Funding shortfalls resulted into Government's failure to acquire 45 hectares of land planned for infrastructure development to enhance service delivery. The funding gap was attributed to budget cuts due to the effects of COVID-19 pandemic.

I advised the PS/ST to engage all Accounting Officers and Parliament to ensure that all budget allocations are aligned to the Development Goals as set out in the NDP III. In addition, I advised the PS/ST to ensure that the planned and appropriated allocations for Land acquisition are released.

(ii) Registration, titling and reporting of land

Section 49 (c) of the Land Act, Cap 227 requires the Uganda Land Commission to procure certificates of title for land vested in or acquired by the Government.

However, a total of five (05) pieces of land measuring approximately 346 hectares (14%) out of 13 pieces measuring approximately 2,532 hectares sampled and reviewed, lacked appropriate land titles. In addition, a total of 8 pieces of titled land measuring approximately 52,186.1 hectares were neither recorded in the respective entity land/assets registers nor in the GFMIS fixed asset module. This affects the accuracy of the non-produced assets reported in the respective financial statements and limits Government's ability to track and monitor its land. The un-recorded and untitled land is susceptible to encroachment and land grabbing.

Relatedly, I observed that Uganda Land Commission (ULC) did not maintain a comprehensive national register of Government land and therefore, the number, acreage, location, user-MDA/LG and status of Government land remains unknown.

Furthermore, whereas Government leased out several pieces of land, I noted irregularities such as; double allocation of leases, allocation of leases by entities without mandate to lease out Government land, breach of lease terms and conditions. I further noted MDAs and LGs with expired and un-renewed leases and non-payment of lease rentals.

This has led to increased risk of litigation and associated costs, loss of land and revenue, thereby negatively affecting service delivery to the citizens.

I advised the Accounting Officers to enforce the securing of titles for all Government land and proper recording of Asset registers by the respective MDA's and LG's as well as maintenance of a comprehensive national register for Government land by the ULC.

(iii) Utilisation and encumbrance of land

Instruction 16.13.12 of the Treasury Instruction, 2017 requires that to control an asset, a Government entity should usually be the predominant user of the asset.

Out of a sample of 56 MDA's and LG's, I noted that 19 pieces of land measuring approximately 20.786 hectares out of the 631 pieces of land measuring approximately 2384.78 hectares were not utilized by 12 entities at the time of Audit. This was majorly attributed to inadequate funding to develop the land as planned.

Un-utilised land if not secured is susceptible to loss via encroachment or land grabbing.

In addition, 2 entities had a total of 4 pieces of land measuring approximately 961 hectares which had encumbrances in the form of; encroachment by the local population, court injunctions and claims by other parties.

I advised the PS/ST to harmonize the planning, funding, acquisition and utilisation of all Government land. This will minimize instances of wastage though non-utilisation and loss of public resources.

(iv) Management of Land by Uganda Land Commission

Section 49 of the Land Act Cap 227 requires the Uganda Land Commission to hold and manage all the land in Uganda which is vested in or acquired by the Government including land acquired by the Government abroad.

However, I noted that ULC did not have a comprehensive national register of Government land held within and outside Uganda.

In addition, contrary to the existing guidance, 5 entities did not transfer 175 pieces of land measuring approximately 60,518.826 hectares to Uganda Land Commission to enable comprehensive updating of the GoU land register. These mainly related to Universities and statutory corporations that claimed that incorporation by seal meant that they had the legal rights to acquire and hold land in their custody. Interviews with the entities also revealed a sense of mistrust associated with losing their land if placed under the custody of ULC.

Failure to transfer all Government Land into the custody of ULC affects the Government's ability to effectively manage Public Land for effective and efficient service delivery.

I advised the Accounting Officers to comply with the Act. In addition, Government should harmonise the requirements of the Land Act and other statutes. The MDAs/LGs should institute measures to ensure that their land is safeguarded.

(v) Irregularities in Management of leased Land

Regulation 6 of the Land Regulations, 2004 requires a lease offer made by a Board or the Commission to communicate the offer, stating the terms and conditions of the offer conditioned upon payment of fees and other charges, in full or by instalment.

I observed that 5 entities leased 175 pieces of land measuring approximately 60,518.826 hectares in the period. However the following irregularities were noted;

- 2 entities without mandate to lease out Government land allocated 5 pieces of land measuring approximately 25 hectares.
- 2 entities allocated 5 pieces of land measuring approximately 25 hectares to more than one beneficiary.
- 5 lease agreements were in breach of lease terms and conditions for example; expired and un-renewed leases and non-payment of lease rentals.
- ULC leased out 5 pieces of land measuring approximately 25 hectares without consulting the primary user agencies.

The above irregularities expose Government to risks of litigation and associated costs and loss of public land.

I advised the Boards and Commision to enforce proper management of leases for Government land.

b) Under utilization of funds by USMID – AF project

A total of UGX.339.9Bn (USD.92Mn) remained unutilised over a period of three years (2019/2020 - 2021/2022) even when there are signed commitments for infrastructure contracts and the funds have not been released to the implementing entities.

These funds included UGX 268Bn for 22 Program Cities/MCs and UGX.64Bn for the 8 refugee hosting districts.

The Ministry of Land, housing and Urban Development (MoLHUD) has made several supplementary requests to the PS/ST MoFPED for re-voting the funds with no success, however, the PS/ST promised that the funds shall be re-voted in the coming year.

This has constrained fulfillment of contractual obligations of the entities to pay the service providers which resulted into claims for interest due to delayed payments.

I advised the PS/ST to make the USMID funds a first call on the budget for the subsequent financial year.

10.0. EDUCATION SECTOR

a) Delayed Finalisation of Education Policies and other frameworks

During the previous financial year (2020/2021), the Ministry of Education and Sports (MoES) drafted several policies, including; the National Inclusive Education Policy; the National Higher Education Policy; the Early Childhood Care and Education (ECCE) Policy; the Education Management Information System (EMIS) Policy; the Instructional Materials Policy; and the School Health Policy, which were not concluded.

In the year under review, the Ministry planned to conclude several policies and draft others, such as; National Curriculum Assessment, and Placement Policy; School Feeding Policy; Inspection and Quality Assurance Policy, the private Education Provision Policy, among others.

Additionally, I noted that at the time of concluding the audit (December, 2022), the Ministry had not concluded the development and issuing of some of the planned policies, bills and other frameworks. For instance; some draft policies have been pending for a while, only one out of the eight policies have been passed and a number are pending the issuance of the certificate of financial implication. The details are shown in the table below;

Table 65: Status of development of some policies under the MoES

S/N	POLICY	PURPOSE	STATUS
1	Government White Paper on Education (1992)	Providing Government with a holistic understanding of the education value chain in the country including Education Planning and Policy Analysis	— The Education Policy Review Commission was established under Legal Notice No. 5 of 2021. — The process of reviewing the 1992 Government White Paper on Education is on-going.
2	Government White Paper on Higher Education	Providing Government with a holistic understanding of the University Education and other Higher institutions	— The Government White Paper on Higher Education was approved by Top Management Meeting. — Pending the costing of the Whitepaper and Policy implications. — Needs a Certificate of financial implication.
3	National Teachers' Bill	To provide a legal framework on management of teachers including their education and training	— The Minister issued drafting instructions to First Parliamentary Counsel to draft the National Teachers' Bill per the approved Principles.
4	Technical and Vocation Education and Training (TVET) Bill.	To provide a legal framework on management of Technical and Vocation Education and Training	— The Minister issued drafting instructions to First Parliamentary Counsel to draft the TVET Bill per the approved Principles.
5	Technical and Vocational Education and Training (TVET) Policy	To operationalize the provisions that would arise from the enacted TVET Act	— Implementation of the policy is on-going. — The Department is required to submit quarterly reports on the achievements or status of implementation and this should also capture the challenges being experienced and the proposed measures.
6	Education for Sustainable Development Policy	To provide policy guidelines on	— The Ministry is awaiting a Certificate of Financial Implications from the Ministry of

S/N	POLICY	PURPOSE	STATUS
		sustainable education in the country	Finance, Planning, and Economic Development. — After obtaining a Certificate of Financial Implications, a Cabinet Memorandum has to be submitted to Cabinet Secretariat to obtain a Cabinet Memo number to enable the presentation of the draft policy to the Cabinet.
7	National Physical Education and Sports Policy	To provide policy guidelines on Physical Education and Sports in the country	— The draft policy was submitted to the Ministry of Finance Planning and Economic Development to obtain a certificate of Financial Implications to enable submission to Cabinet.
8	UNATCOM Policy Framework	To provide to regulate and guide UNATCOM activities	— Draft Regulatory Impact Assessment (RIA) report is in place.

The lack of approved policies affects the Ministry's ability to effectively and efficiently influence decision making processes and improve service delivery in the Education Sector. In addition, the monitoring and supervision of education activities becomes a challenge in the country.

The Accounting Officer explained that the Ministry had not concluded the development of the planned policies mentioned. This was due to the prolonged process of developing them which involves consultations with several stakeholders including the public to solicit their views and for ownership. This is a requirement by Cabinet before they are submitted for approval. However, all the policies mentioned had been consulted upon and were awaiting approval by Cabinet.

I advised the Accounting Officer to liaise with all stakeholders and fast-track the completion and approval of the above mentioned policies and other frameworks to enable efficient and effective deliverance of educational services.

b) <u>Delayed Review of the Education Curricula for the different education institutions</u>

A review of the Needs Assessment study report on Uganda Community Polytechnic Education dated February 2022, indicated that the Curriculum review of the Uganda Community Polytechnic Curriculum was last undertaken in 2008. In the year under review, I noted that only three (3) (5.7%) courses had been reviewed out of the fifty-two (52) courses. This has an impact on the quality of trainees and graduates and their competitiveness in the job market.

In addition, I noted that while the Government changed the BTVET curriculum from majorly theoretical to a more competence based, modularized and learner centered for both certificate and diploma programs which run for two years, the reviewed curricula were not yet printed for onward distribution to institutions. This affects training in the various vocational institutions.

I further noted that for the reviewed curricula, no related training materials were developed to facilitate self-study since the curricula is learner centered. This compromises the quality of the learners produced under the curricula.

Furthermore, I noted that there was no Business and Technical Vocational Qualifications Framework in place rendering it difficult for UBTEB to effectively execute its mandate. This renders it difficult to equate qualifications hence limiting competitiveness in the global job market. Relatedly, there was no central database for technical education and training, and national qualifications. The lack of a centralized technical qualification database affects the Government's ability to have an accurate, reliable, and robust data on all qualifications in the country that facilitates comparability/equation, recognition and global placements in the job market.

I advised the Accounting Officers to address the above fore metioned challenges to enhance the quality of the learners and their competitiveness in the job market.

c) Sports Management and Administration by the National Council of Sports (NCS)

I reviewed the mandate, operations and management of NCS and noted the following;

(i) Whereas NCS has the mandate to promote quality physical education and sports in the country, it was noted that there is inadequate sports management and administration. In the year under review, NCS released a sum of UGX.13.40Bn (100.3%) out of the budgeted UGX. 13.43Bn to a number of sports Associations and Federations.

(ii) A number sports associations and federations were facing structural and operational challenges, including the failure to properly account for the funds disbursed to them resulting into UGX. 270Mn remaining unaccounted for.

(iii) NCS regulates over 52 sports disciplines; however, there is currently a shortage of academies (grassroots sports schools) in a number of the disciplines. For example, whereas football and boxing disciplines had 77 and 57 sports academies, respectively, 25 sports disciplines had no sports academies at all.

(iv) There was inadequate technical capacity in terms of personnel with internationally accredited skills. There were few coaches, Umpires, referees and sports medical personnel for most of the sports disciplines.

(v) District Sports Councils were not functional and as such, there was general shortage of standard sporting infrastructure and facilities to facilitate the mentorship of sports activities at the grassroot level.

(vi) NCS lacked a comprehensive strategy of ensuring the development and administration of all sports disciplines in the country.

The Accounting Officer explained that the funding of the sports activities by Government was still inadequate, though of recent Government has increased the Council’s budget.

The above challenges hinder NCS from achieving its mandate of promoting quality physical education and sports in the country.

I advised the Accounting Officer to develop and implement comprehensive sustainable strategies for the management and development of all sports disciplines in the country in consultation with stakeholders.

11.0. WORKS SECTOR

a) Loss on Compensation for Stolen Materials from Steel Companies-UGX.12,757,503,000

During the year, the Managing Director of Uganda Railways Corporation (URC) instituted an investigation on the stolen and recovered railway materials from two steel companies. However, the review of the investigation reports and other documents related to stolen and recovered railway materials revealed that URC went into an out of court settlement which resulted into a total compensation loss of **UGX. 12.76Bn** from both the two steel companies and an indication that the legal cases were mismanaged.

Management explained that the computation was based on sections that had been vandalised over the years and not the materials that the two companies were found with. This was done as a deterrent measure against the two companies in order to discourage them from buying vandalised materials. It was further explained that it is difficult to prove that the two companies were responsible for vandalising sections of the line yet the materials recovered were not for the whole section. The factory in Mukono negotiated to pay less as it claimed to be on the verge of bankruptcy due to Covid 19. Management considered it prudent to secure the settlement amount.

I advised the Board to review the process of out of court settlement to ensure transparent and verifiable procedures. In the event that collusion is identified, appropriate action including recovery measures from responsible parties should be instituted.

b) Loss of Abandoned Dismantled Railway Materials-EUR.3,083,846.54 and unrecovered advance payment of EURO 8,854,839.68

The PSST/National Authorising Officer of the European Development Fund (EDF)-Ministry of Finance, Planning and Economic Development (PSST/NAO) signed a contract with a contractor on 21st November 2019 for Civil works for the Rehabilitation of the Tororo-Gulu Railway under contract reference number EUROPWAID/139549/IH/WRKS/UG at Contract price of EUR 39,337,756 (excluding VAT/other taxes). My review of the contract implementation revealed that after termination of the contract by the contractor, the contractor never handed over the demolished materials that were supposed to be used for reconstruction of the railway line. Evidence from supervising consultant indicated that 136,416 railway items equivalent to **Euro 3,083,846.54** had been stolen. Similarly, the Contracting Authority made 30% advance payment to the same contractor amounting to EURO 11,801,326.80, by the time of termination of the contract only **EURO 2,946,487.12** had been recovered with the balance **EURO 8,854,839.68** not yet recovered.

The Accounting Officer explained that this is an issue that is being handled following procedures of closure of Contract at Termination. The Final Account shall detail what is payable to the Contractor at the time of termination less what the Contractor owes the Client including losses of Inventory as determined by the inspections mentioned above.

I advised the Accounting Officer to ensure a comprehensive verification process is carried out so that all outstanding obligations by the contractor are discharged before any payments are made.

I advised the Accounting Officer to also seek legal advice from Attorney General on the course of action to be taken.

c) Loss of Potential Revenue from a Concession Agreement for Pamba Ferry

On 18th May 2020, the Minister of State for Transport signed an agreement between the Government of Uganda and Mango Tree (U) Ltd, to rehabilitate and upgrade the Marine Vessel (MV) Pamba without recourse to public funds as a PPP. I however noted that there was no procurement process followed in identifying the company. I also noted that Mango Tree (U) Ltd incurred a verified amount of **UGX.10,618,736,676** to undertake the refurbishment, which funds are to be recovered from the collections charged by the firm during operations. Although the Marine Vessel (MV) Pamba operated during the year, there were no arrangements by URC in respect to monitoring of revenue collected by the operator of the vessel and also the revenue sharing terms which would allow both parties to mutually benefit as required in the agreement.

The Accounting Officer explained that engagements with the Ministry of Works and Transport will continue to ensure that a revenue sharing agreement is established.

The Accounting Officer should establish a verifiable monitoring mechanism of the operations of (MV) Pamba to keep track of the revenue performance. In addition, the Accounting Officer is advised to engage the line Ministry and ensure that a revenue sharing agreement is established.

d) Delayed Completion of the consultancy for the unit cost study for road construction and maintenance in Uganda

On 30th July 2019, the Ministry entered into a contract for a unit cost study for road construction and maintenance in Uganda at a contract price of UGX.2,102,966,500. The contract was to be executed in nine (9) months from the date of contract signing, implying that the contract completion date was supposed to be 30th April, 2020.

A review of the performance of the contract revealed the following: -

i. Although the cumulative payments to the consultant totalled to UGX.1,472,076,550 (70% of the contract price) by end of September 2022, almost 2 & ½ years later, most aspects of the contract such as testing the cost management system, 2nd stakeholders' workshop, final report, cost estimation and monitoring systems and implementation strategy had not been delivered.

ii. Although, section 7.6 of Terms of Reference (TORs) for the study required six (6) staff from MoWT, UNRA, KCCA and Uganda Road Fund to be attached to the Consultant as counterpart staff for training and technology transfer, there was no evidence that it was done.

iii. The most recent report submitted by the Consultant was the draft final report in December 2020. This report was not approved by the Ministry as it reportedly lacked cost drivers for road maintenance.

There is a risk of loss of UGX.1,472,076,550 so far paid to the Consultant if no acceptable report is eventually delivered. In addition, there was no evidence that the Ministry was employing the penalty provisions in the contract.

The Accounting Officer explained that the Consultancy has been delayed because of a number of issues, including the Covid-19 pandemic outbreak and the insufficient data that has been gathered from key stakeholders both internally and outside the benchmarking countries. It is important to highlight that access to offices and documents was necessary for the majority of the Consultancy's primary activities.

I advised the Accounting Officer to follow up with the Consultant to ensure that the report is delivered expeditiously to enhance decision making.

e) Maintenance of district and zonal road equipment

I carried out inspection of the regional mechanical workshops and established that 23 Districts' road equipment, especially Motor graders remained in the Workshops' yards for more than a year without repair with some having been grounded since 2016.

This has affected the maintenance of roads in the affected districts.

The Accounting Officer explained that the Regional Workshops received only UGX.10,492,000,000 as operational funding against an actual requirement of UGX.45,000,000,000 thereby not able to carry out all the necessary repairs.

I advised the Accounting Officer to lobby the responsible authorities and have the road equipment maintenance budget improved.

f) Grounded Aircrafts at the East African civil Aviation Academy

The inspection of the East African civil Aviation Academy (Soroti Flying School) indicated that all its nine (9) training aircrafts were grounded due to the expiry of their insurance or being faulty. I further noted that three aircrafts involved in accidents during the year under review had not been repaired due to the delayed compensation by the insurance service provider.

The training of pilots had been suspended resulting into un-necessary costs of keeping students on the campus without training and extension of the time within which students would complete their courses. In addition, salaries for the Instructors and staff are being paid without activities, which is wasteful.

The Accounting Officer explained that the financial challenges have derailed the Academy from executing its mandate. It was further explained that the Academy procured an insurance service provider (Sanlam) at a cost of UGX.570,832,735, however after accepting the offer, the Academy received a late communication from Sanlam declining to offer the service. The issue has however been escalated to the Attorney General for further guidance on the next action against Sanlam Insurance. In addition, 5X-UAN 310 aircraft was manufactured in 1978 whose production line had been stopped, hence the Academy had to make special arrangements for the production of the parts required. It should also be noted that the aircraft was undergoing major structural repairs which required lots of parts.

I advised the Accounting Officer to engage relevant authorities to ensure that the insurance cover is renewed and urgently follow up with the insurance provider for compensation of the aircrafts involved in accidents. Management of Ministry of Works should work out a strategy for enhancing the revenues of the Academy.

g) Accumulation of liabilities - UGX.760.4Bn

I reviewed the financial statements of UNRA and noted that it has accumulated liabilities to the tune of UGX. 760.4Bn. These comprise of certified and approved liabilities UGX. 616.1Bn and unapproved certificates by management of UGX. 144.3Bn.

The accumulation of liabilities was attributed to lack of funds and delayed payments.

Further UNRA has a policy of approving certificates within 60 days by a committee appointed by the Accounting Officer, however, I noted that the approval process takes much longer and by the end of the year the un approved certificates had accumulated to **UGX.144.3Bn**.

Accumulation of liabilities lead to interest payments related to non-settlement of certificates issued for work done leading to escalation of construction costs. Furthermore, it paints a bad picture on road contracts and some intrinsic costs may be built in the contract to cater for delays leading to high cost contracts. During the year an amount of **UGX.41.34Bn** was paid as interest for delayed payment for various projects.

The Accounting Officer explained that the exercise for the verification and approval of works certificates is a very lengthy because of the technicalities and the amounts involved. Furthermore, the delayed release of funds also leads to late payments hence interest penalties.

I advised the Accounting Officer to engage the MoFPED with a view of securing additional resources to settle the liabilities. I also advised the Accounting Officer to review the payment approval process and payment terms to mitigate the risk of interest charges due to penalties

12.0. HEALTH SECTOR

a) Management of Essential Medicines and Health Supplies in Health Facilities

Section 4 of the Essential Medicines and Health Supplies Manual 2012 requires an effective stock management system which ensures that the right medicines of the right quality and quantities are available at the right place, at the right time, and at the right cost. Furthermore, Section 4 of the National Medical Stores Act 1993 provides that one of the objectives is to secure, safe and efficient storage, administration, distribution and supply of the goods, having regard to national needs and to the special nature of the goods in question in accordance with the national drug policy and the national drug authority.

A review was undertaken of the supply, storage, administration and distribution of EMHS in National Referral Hospitals and specialized health facilities and I noted the following:

- Most of the hospitals and facilities had expired drugs which were kept in the stores instead of being returned to NMS for appropriate handling. In addition, NMS had Non Viable Stock of UGX.13.4Bn at the close of the Financial year representing an increment of Ugx.8.25Bn (160%) from 2020/2021. The expired drugs included ARVs, donated latex gloves that failed NDA tests and items which could not be ordered for and utilised during the covid-19 lockdown.

- Most hospitals and specialized health facilities still experienced drug stock outs ranging from 9-360 days.

- The storage areas for drugs in most of the hospitals and specialized facilities were small and medicines were congested with some medicines on the floors instead of pallets and boxes leaning on walls. Some stores were not well lit and appropriately ventilated.

Drug stock-outs are not only detrimental to the life of patients who need these drugs but also erode patients' confidence in the public health care system, which may lead them to seek inappropriate and expensive alternative health care services elsewhere. In addition, expired drugs present a loss to the public and further losses may be incurred in the process of transporting and destroying them. Further, poor storage conditions for drugs may result into loss of potency or degradation of products that may harm patients.

I advised the Accounting Officers to liaise with the responsible stakeholders such as NMS, Ministry of Health, NDA, Ministry of Finance, Planning and Economic Development and Development Partners to improve the management of EMHS at National Referral Hospitals and specialized health facilities.

b) <u>Understaffing in Health Facilities</u>

National Regional Referral Hospitals and specialized health facilities have staff structures that need to be adequately filled for efficient and effective service delivery. I however noted that the facilities had staffing gaps with the critical gaps being in the National Referral Hospitals that were recently elevated from Regional Referral status and specialized facilities (UCI and UHI) whose staff structures are yet to be approved by the Ministry of Public Service.

I also noted that for most of the facilities, funds for recruitment of staff were warranted and released in the last quarter of the financial year (May 2022). As a result, there was not enough time for Health Service Commission to recruit staff so that the facilities can absorb the funds. Funds were thus returned to the UCF.

Inadequate staffing results in heavy workloads and exploitation of existing staff, creates job-related stress which negatively affects the quality-of-service delivery to the community.
I advised Management to follow up the recruitment funding for re-voting and ensure completion of recruitment exercise.

c) <u>Utilization and Maintenance of Medical Equipment</u>

According to Section 7 of Operation Manual for Regional Medical Equipment Maintenance Workshops and Medical Equipment Maintenance Guidelines, 2013, the entity should plan and budget for maintenance under two main categories of Planned Preventive Maintenance and Breakdown maintenance to ensure efficient maintenance of medical equipment.

I made an assessment of medical equipment in the National Referral Hospitals and specialized health facilities focusing on the functionality and availability of medical equipment and maintenance of the same. The results of my assessment are summarized below;

- The hospitals and specialized health facilities did not plan for preventive maintenance based on analyzed equipment data such as usage statistics and dates of previous maintenance. This led to persistent breakdown of equipment and prolonged down time which affected service delivery in terms of reliability and quality of health care.

- There were budget shortfalls for maintenance of equipment with some hospitals and facilities receiving less than 50% of the budget. As a result, a number of vital equipment were not appropriately maintained during the year.

- For Mulago National Referral Hospital I undertook a special audit which included among others the procurement and maintenance of medical equipment and noted various anomalies in the payments for maintenance of medical equipment. The details are included in separate audit report.

I advised the Accounting Officers to improve medical equipment maintenance planning and liaise with the relevant stakeholders including Ministry of Health and Ministry of Finance, Planning and Economic Development to secure adequate funding for maintenance and replacement of medical equipment.

d) Unresolved Contingent Liabilities

I reviewed the financial statements of Ministry of Health and noted that there was a sum of UGX.120,829,578,815 in respect of potential obligations/payables due to various organisations as at 30th June 2022. Refer to the table below for details:

Table 66: Unresolved Contingent Liabilities

Contingent liabilities	Details	Amount (UGX)
Legal proceedings	i. Spencon Services Ltd	45,656,660,072
	ii. Family Care Hospital	550,000,000
Other Contingent liabilities	iii. National Drug Authority – verification fees, import fees and licenses	43,210,405,917
	iv. National Medical Stores – Storage and distribution of drugs	31,412,512,826
Total		**120,829,578,815**

Under the circumstances, settlement of the above potential obligations is likely to adversely affect future operations of the Ministry.

The Accounting Officer explained that the Ministry constituted a team comprising NDA, the MOH Pharmacy department, and MOH Internal Audit to verify and reconcile the above figures. The exercise was still ongoing.

I advised the Accounting Officer to fast track the reconciliation process. In addition, management should consider liaising with NMS and NDA to agree on a payment plan to settle the validated domestic arrears.

13.0. TRADE SECTOR

a) Payments outside the Work Plan

Paragraph 10.33.1 (d) of the Treasury Instructions 2017 requires additional internal controls relating to payments to be noted by each Accounting Officer and that all commitments should be consistent with the approved annual budget, and relate to activities in the annual work plan.

I noted that a supplementary of UGX.27.9Bn was used to pay 13 (thirteen) Cooperative Societies that were not in the original Ministry payment work plan. The Cooperative Unions paid were: Jinja Multipurpose Cooperative Society, Bwavu Mpologoma Growers Cooperative Union Limited, Bumwambu Growers Cooperative Union Limited, and Uganda Cooperative Transport Union, among others.

I further noted that Parliament appropriates cooperative societies compensation funds based on a list not consistent with the Ministry's submission, as a result, some cooperatives have continued to receive money whereas others have not received at all.

The Accounting Officer stated that these payments were made because the Ministry received additional funding to settle additional cooperatives via supplementary releases appropriated by Parliament for that purpose.

I advised the Accounting Officer to engage Parliament and other stakeholders to streamline prioritization of cooperative compensations to ensure equitable allocation of resources and transparency.

b) <u>Payments to Cooperatives through Third parties - Law Firms</u>

Paragraph 10.6.1 of the Treasury Instructions 2017, states that in general, all Government payments processed through the Government Financial Management Information system (GFMIS) will be made by Electronic Funds Transfer (EFT) to the beneficiary bank accounts. I reviewed the compensation process and payments made and noted the following:

- During the financial year, War claims compensation of UGX. 29.09 Bn was made to different persons and law firms but not directly to the beneficiary Cooperative societies for onward remittance to beneficiary Cooperative members. It was observed that, Cooperative compensations are not driven by Cooperative members. As a result, the process and resolutions pertaining to valuation of the claimed amounts attached to the lost properties during the war are not known by members.

- I noted that Cooperative Unions currently do not have constituted Boards, contrary to section 18A (1) of the Cooperative Societies Act 2020, that requires every society to have a Board consisting of an odd number of members not less than five and not exceeding nine.

- Furthermore, files relating to fifty-five (55) Cooperative Societies were not availed for audit; hence I could not confirm the authenticity of the compensation claims. The verification reports for only fifteen (15) cooperative societies were seen but these also did not have their specific files, hence posing a risk of having non-existing Cooperatives being compensated.

- Minutes to prove any agreement on the resolutions taken were not availed hence casting doubt on the authenticity of the transactions, member participation and physical existence of these Cooperatives leading to a risk that the bonafide beneficiaries may not have received the payment.

- Only the verification committee members signed the compensation claims report.

- Management paid excess amount of UGX .588.2 Mn above the planned (in regard to payments to Teso Cooperative Union - UGX.352.9Mn and North Bukedi Cooperative Union – UGX.235.2Mn). Similarly, UGX.6.17Bn that was earmarked to pay three Cooperative Unions; Masaba Cooperative Union (UGX.882.35 Mn), West Nile Growers Cooperative Union (UGX.882.35Mn) and Wamala Growers Cooperative Union (UGX.4.41Bn) but was not paid. Management attributed the overpayment to the availability of resources.

In the circumstances, I was not able to obtain evidence of participation of members or their representatives with respect to the compensation claims contrary to Section 16(2) of the Cooperative Societies Act, 2020 that prescribes the rights of the members of Cooperative Societies among which to attend, participate and vote for decisions taken at all general meetings of the society. In addition, overpayments are potentially a loss of public resources.

I further found the practice of payment through third parties both inconveniencing and exposing the Ministry to loss of public funds to non-bonafide members, given the lack of participation of members

The Accounting Officer explained that Cooperatives' legal representatives, instructed the Ministry formally to pay compensations through third parties, adding that some of the files had been transferred to Entebbe for temporally storage, hence could thus not be readily availed to auditors.

I advised the Accounting Officer to ensure that all Cooperative Unions are legally constituted, their existence verified and review the practice of making payments through third parties and pay directly to Cooperatives. Meanwhile, a follow up process to confirm that the payments reached the beneficiary Cooperatives should be initiated and the overpayments recovered.

c) Under absorption of funds in Uganda Development Corporation (UDC)

Section 45 (3) of the Public Finance Management Act, 2015 states that an Accounting Officer shall enter into an annual budget performance contract with the Secretary to the Treasury which shall bind the Accounting Officer to deliver on the activities in the work plan of the vote for a Financial year, submitted under Section 13 (15)" of the said Act. UDC receives appropriation through Vote 015.

It was established that overall, in addition to the unspent funds from the prior year of UGX.80.4 Bn, only UGX.33.14 (13%) was spent by the Corporation leaving a balance of UGX.210.48 as summarized below;

Table 67: Under absorption of funds in UDC

Item	Funds brought forward (UGX Bn)	Funding received during the year (UGX Bn)	Total funds available	Amount spent (UGX Bn)	Variance – UGX Bn
Wage and non-wage	3.8	12.87	16.67	8.7	7.97
Development/ projects	76.6	150.35	226.95	24.44	202.5
Total	**80.4**	**163.22**	**243.62**	**33.142**	**210.48**

From above, UGX.8.7 Bn (52%) was spent on wage and Non-wage, while absorption on development expenditure was only UGX.24.44 Bn (11%). A critical review of the expenditure revealed that notable under absorption was on the funding for the Atiak Sugar factory which accounts for over 50% of the funds, while there was no expenditure on most of the projects.

Failure to fully absorb funds by the Corporation negatively affects the corporation's efforts in achieving its strategic objectives and projects for which the funds were appropriated.
The Executive Director explained that the under absorption was majorly due to supplementary funding of 129.5Bn that was appropriated by the Parliament during the year and of which 67% of the funds were availed in May 2022.

Management explained that 87% of the funds related to the mechanisation of the Atiak Sugar factory which involved procurements that could not be completed by year-end though the procurements have since been completed. Additionally, they stated that the under absorption in relation to the other projects was due to the investment process that is followed to ensure viability and sustainability and has operated without a Board for the greater part of the year.

I advised the Executive Director to devise strategies for expediting the implementation of the projects to improve funds absorption.

d) Failure to seek approval for unspent balances

Section 17 (1) of the Public Finance Management Act 2015 states that "Every appropriation by Parliament shall expire and cease to have any effect at the close of the financial year for which it is made." Sub Section (2) of the same section further requires the unspent money that was appropriated for the financial year, to be repaid to the Consolidated Fund at the close of the financial year.

Subsection (3) of the same section further states that a vote that repays money under subsection (2) shall revise its annual work plan, procurement plan and recruitment plan to take into account the unexpended money and the Minister responsible for the vote shall submit, as part of the budget for the preceding year, the revised work plan, procurement plan and recruitment plan to the Minister.

Uganda Development Corporation receives project funds that are appropriated under the Ministry of Trade Industry and Cooperatives. The funding caters for operations (wage and Non-wage) and specific projects. However, UDC has accumulated project funds of UGX. 80.4Bn since 30th June 2021. The funds in issue were not returned to the consolidated fund and neither was supplementary funding approval sought. This may be attributed to the accounting policies of the Corporation where all Government funds are capitalised.

Retention of un-spent balances without authority contravenes the PFMA and May lead to the diversion of funds resulting from accounting policies adopted.

The Executive Director explained that UDC was being funded in accordance with the UDC Act 2016 and that according to Section 24 of the Act, the Board is required to declare to the Minister any money of the Corporation that is not utilised at the end of each financial year and also allows the Corporation to invest any funds not immediately required for any purpose upon approval of the Board.

I advised the Executive Director to always ensure compliance with the PFMA regarding budget execution and seek appropriate authority to retain the funds. In addition, Management is advised to engage all stakeholders to change the funding model to allow all funds appropriated and remitted to the Corporation to be capitalised.

e) Failure to enforce collection of NTR as required by the Act

Section 12 (1)(a) of the Uganda Export Promotion Board Act states that the funds to be collected by the board shall consist of a levy of not more than 0.5% on designated imports.
It was however noted that the entity has not exercised its mandate of levying the 0.5% on designated imports as well as receipt of monies paid for goods or services provided by the Board contrary to the Act, leading to loss of revenue.

The Accounting Officer indicated that all Non-Tax Revenue collections were reverted to URA.
I advised the Accounting Officer to engage all stakeholders responsible and institute measures to ensure compliance with the law.

14.0. TOURISM SECTOR

a) Lack of a comprehensive plan for the management of the invasive species

According to Section 21(1-2) of the Uganda Wildlife Act 2019, The Board shall develop a conservation planning manual that takes cognizance of the national policies and development planning frameworks and the Executive Director shall, with the approval of the Board prepare and publish a comprehensive management plan for each wildlife protected area and wildlife management area, in accordance with the conservation planning manual.

During my review of the plans for the Authority, I was not availed with a conservation planning manual and a comprehensive management plan for each wildlife protected area and wildlife management area and I was unable to confirm whether there is a deliberate effort to manage the invasive and exotic plant species that cover an average of 30% of the surface areas of Queen Elizabeth, Lake Mburo Park, Murchison Falls, and Kidepo Valley National Parks.

These invasive/exotic or endemic plants, amongst others, include different species such as Dichrostachys cinerea, Lantana Camara, Parthenium hysterophorus, Opuntia Vulgaris, Imperata cylindrica, Maeruade cumbens, Caesalepina decaputala, Acacia hockii, Tecoma Stan, Senna siamea and Thevetia peruviana.

I attributed this to the delayed decision by the Board and Management of UWA to determine the approach that can comprehensively deal with the invasive species.

The invasive species contract the grazing areas for herbivores animals and affect the rangeland and environmental quality that consequently reduce the wildlife population of grazers such as hippos, buffalos, zebras, topis, and Uganda Kobs.

The Accounting Officer acknowledged the issue and informed me in his response that invasive plant management is a real challenge in the management of protected areas and that this needed more funds than UWA could allocate. He further explained that management had annually allocated funds for the eradication of the invasive species and so far 2000 hectares had been freed and are being maintained. He added in his response that a total of UGX.770Mn had been allocated to invasive management under UWA internally generated funds and another UGX.1.590Bn under World Bank (IFPA-CD project).

Additionally, he further explained that the funds allocated to the management of invasive included engaging a consultant to spearhead the development of the Invasive Species Management Strategy to be concluded before the close of this financial year 2022-2023 and the procurement of a consultant to develop a strategy for eradication of invasive species is at advertising stage.

I await the outcome of the actions being undertaken by the Accounting Officer intended to manage the challenge imposed by the invasive species on the tourism sector.

b) Ongoing cases of claims in Gazetted Areas

According to section 25(1) of the Uganda Wildlife Act 2019, The Minister may, by statutory instrument, after consultation with the Local Government Council in whose area a proposed wildlife conservation area falls and with the approval of Parliament signified by its resolution, declare an area of land or water to be a wildlife conservation area.

Whereas all the ten (10) national parks were dually gazetted in accordance with the law, I noted that there were several ongoing cases of claims on land in the gazetted areas under the management of Uganda Wildlife Authority as evidenced by active court cases in some parks namely Lake Mburo National Park, Mt. Elgon National Park, Semiliki National Park and Matheniko Bokora. This was attributed to increased encroachment on the National parkland.

Failure to resolve these cases may lead to the loss of gazetted land areas that will affect wildlife conservation.

The Accounting Officer explained in his response that prior to the creation of Uganda National Parks and later Uganda Wildlife Authority; the protected areas mentioned above were being managed under the Forest and Game Departments of Government. These two Departments were ill-facilitated by Government and therefore had no funds to enforce the protection of the said areas and this resulted in a number of encroachments. When UWA took over management, a number of efforts have been made to resolve these conflicts, most of which are in court. UWA has no jurisdiction over the Courts of Law and is therefore incapacitated to have the court cases fast-tracked.

He further explained that the Authority engaged the Ministry of Tourism, Wildlife and Antiquities and the Ministry of Lands, Housing and Urban Development which led to the cancellation of some of the erroneously issued titles; the process of cancellation of others is still ongoing. Additionally, the Accounting Officer informed that the Ministry of Tourism, Wildlife and Antiquities is already engaging the Ministry of Lands on the matter.

I advised the Accounting Officer to closely monitor illegal encroachments in the gazetted areas and take appropriate actions to resolve these claims.

15. CROSS CUTTING ISSUES IN SCHOOLS

I undertook financial audit of Secondary schools and Tertiary Institutions for the financial year ending 30th December 2020 and 30th June 2020 respectively and observed the following key findings that are also included in individual entity reports.

i. A review of Approved budget estimates of 207 schools revealed that they budgeted to receive UGX.390,261,047,176 but only realised UGX.209,516,751,825 leading to an underfunding of UGX.180,744,295,351 (46%). Failure to realise all budgeted amounts affected implementation of several school activities.

ii. 16 schools did not prepare financial statements for the year under review. Failure to prepare financial statements hinders effective oversight over expenditure, revenue, assets and liabilities of the school.

iii. Receivables of UGX.21,094,320,460 had accumulated in 117 schools by the end of the financial year. Receivables represent an idle asset, since it denied schools the revenue required to implement planned activities.

iv. Domestic arrears of UGX.22,010,317,124 had accumulated in 102 schools by the end of the financial year. Accumulation of payables damages the School's creditworthiness and could lead to litigation

v. 72 Schools did not have titles for the pieces of land in which they were located. There is a risk of loss of these pieces of land in cases of encroachment or disputes

vi. A review of staff establishments of 151 Schools revealed that out of the 10,547 approved staff positions, only 5,139 (49%) were filled leaving 5,408 (51%) vacancies. As a result, education service delivery is negatively affected.

vii. 55 schools did not have strategic plans to guide them in planning for achievement of short term, medium term and long-term goals. Non-existence of the school strategic plan affects effective planning and budgeting in the short term and long term.

viii. 49 schools did not have procurement plans to guide the procurement processes executed during the year. Lack of a procurement plan could result into diversion of funds to non-critical procurements not initially intended to be executed.

B. CROSS CUTTING ISSUES IN LLGs

I sampled 335 LLGs for audit in the financial year of 2020/2021. I reviewed the funding for the year and noted that the LLGs had budgeted to receive UGX.138,533,294,237, but only received UGX.112,296,656,986 (81%) which led to a shortfall of UGX.26,236,637,251 (19%).

A review of the implementation of the planned activities in the LLGs revealed the following;

i. 325 of the audited LLGs had unqualified opinions, 8 of them had qualified opinions and 2 were issued with disclaimers.

ii. They budgeted to collect local revenue of UGX.41,936,664,586, but only collected UGX.29,999,490,158 (71.5%) which resulted into a shortfall of UGX.11,937,174,428 (28.5%). Shortfalls in local revenue collections negatively affect the implementation of planned activities which frustrates service delivery.

iii. Only 2,928 posts were filled out of 7792 approved staff posts. Understaffing overstretches the available staff beyond their capacity, creates job-related stress to the fewer staff and negatively affects the level of public service delivery to the community.

iv. I noted that 140 LLGs lacked title deeds for 632 plots of land. This implies that the land is exposed to a risk of encroachment and land disputes.

v. Out of the 335 LLGs sampled, only 28 had strategic plans in place and the remaining 307 did not have. There is a risk that the budgets prepared and activities implemented during the financial year were not aligned to the NDP- III which negatively affects the achievement of NDP-III objectives.

vi. I noted that 162 LLGs did not have Physical Development Plans whereas 78 did not have Physical Planning Committees in place. This leaves the LLGs exposed to risks of unregulated physical developments including creation of undesirable slums.

vii. 159 LLGs budgeted to receive UGX.2,587,748,230 as funding for garbage management, but only received/spent UGX.2,142,640,315 resulting into a shortfall of UGX.445,107,915.

viii. 194 LLGs did not have by-laws for the management of garbage and also lacked sufficient equipment and facilities for Garbage collection and disposal. Failure to undertake proper garbage management leads to piling of garbage on the streets which further poses a health threat to the surrounding communities.

ix. 77 LLGs did not remit UGX.788,151,117 to the lower local councils (counties, parishes & village councils) as required by the Fifth Schedule, Part V (16), of the Local Government Act 1997 (as amended). Non remittance of shared revenue impairs the participation of the

Lower Local Councils in the implementation of Government programs which affects service delivery at the grass roots.

x. 6 LLGs failed to account for UGX.459,463,633 in the FY 2020/2021 and therefore I was unable to confirm that the funds were used for the intended purpose.

xi. 16 LLGs spent UGX.200,229,143 in excess of the required amount on council allowances. There is a risk that funds meant for implementation of planned activities was diverted and used to pay Council emoluments.

PART 4: INFORMATION SYSTEMS, ENGINEERING, VALUE FOR MONEY AND SPECIAL AUDITS

During the financial year 2020/2021, I undertook three Information Systems audits, three Engineering audits covering 90 projects, eight Value for money audits. In addition, I undertook special and forensic audits which are reported on separately.

Below is a summary of the key findings I noted in each category, the details of which are included in individual reports issued separately.

4.1. KEY HIGHLIGHTS FROM THE ENGINEERING AUDITS

4.1.1. Audit of GRID Extension Projects implemented by the Rural Electrification Agency Currently under the Ministry of Energy and Mineral Development for the period 2009 – 2017

Between 2009 and 2017, REA secured over **USD.80Million** from SIDA, JICA, World Bank, NORAD and the Government of Uganda to implement priority Rural Electrification Projects most of which were part of the sample of projects under review.

The Scope of the audit covered the GRID extension power line projects implemented in the 13 service territories under the various funding programs between the financial years 2013/14 to 2017/18.

The scope of the GRID Extension power-line projects assessment was the following;

i. Completed Grid Projects Implemented by REA since Financial Year 2013/2014 to 2016/17 when RESP II was being implemented

ii. Completed UMEME Cost Shared Lines since 2013/2014 and 2014/15.

iii. Schemes Implemented through Concession Operators

- Kilembe Mines Ltd
- Ferdsult Engineering Servcies Ltd
- Wenrenco
- UEDCL

iv. Ongoing Grid Projects under Implementation by REA

v. Completed Grid Projects Implemented by REA from (2009-2017) Prioritized by Rural Electrification Agency.

I undertake a Value for Money audit and assess whether construction of Grid extension power lines and associated installations implemented by the Rural Electrification Agency (REA) was undertaken in accordance with recommended technical standards, designs and specifications; assess the quality and functionality of the completed power-lines and associated installations and its impact on the user communities.

Following the Value for money audit I noted the following;

There have been Positive Economic Impacts have been realized from constructed GRID Lines, for instance;

Urbanization of several trading centres has taken place along the power lines constructed, many income-generating activities were initiated by the locals such as maize milling, wielding, salons, juice production thus improving their incomes and way of life and creation of employment opportunities; promoting value addition to the local agricultural products and dairy products; reduction in greenhouse emissions; improving investment climate in targeted communities; and increase in government revenue.

However, there are still some performance gaps in operation of rural electrification projects that need to be addressed as follows;

i. Audit carried out creditor circularization to determine any outstanding amounts owed to Contractors, Consultants and Concessioners and noted that, REA owed nine (9) firms for works already completed worth **USD.28,080,776.53** and **UGX.3,350,908,860.**

ii. Out of the commissioned lines, UMEME attracted and obtained O&M rights for about 25% and these were largely township lines. UEDCL obtained about 60% of the O&M rights leaving the 15% to the other operators, however audit did not get evidence of any deliberate O&M policies or practices largely on the preventative maintenance. The auditors were not provided with preventative maintenance plans, nor was there proof of a structured and consistence implementation of basic prudent maintenance practices on the lines. Although ERA is mandated to issue license to the operators, review and approve the O&M Budgets as well as regulate the operations of these licensee, audit noted minimal supervision by ERA in line with oversight monitoring and Evaluation.

iii. Additionally, in terms of the operating and management costs of power lines, they were deemed high due to a number of factors such as transformers, defective or rotten poles which needed replacement in the shortest of time after the commissioning of these lines. For instance, according to UEDCL data for Kabale – Kisoro – Bunagana Scheme, the annual maintenance cost was at UGX.**34.7 billion** against UGX.**518 billion** generated revenues. This translates 6.8% of revenue which is above the 5% threshold requirement.

iv. There are several occupation and safety hazards noted during implementation of the GRID power projects. 33kV power lines were constructed to span across roofs of residential houses in Ibanda-Kazo-Rushere power scheme, Mpanga-Kamwenge-Kahungye-Nkingo.

v. There were some inadequacies in design and construction of GRID power projects noted; Although normal service conditions and or best practice requires that 33KV extensions should originate from substations (service bays/Bus Bars) audit noted that for most of the projects implemented by REA, MV extensions were tapped from existing feeders implying that the newly implemented MV extension automatically inherits the challenges of the backbone and vice versa. Examples were noted in Kabale-Kisoro, Gulu-Acholibur, Masindi- Waki- Buliisa, Opuyo-Moroto, Ibanda- Kazo- Rushere, Gulu-Adjumani-Moyo.

vi. Voltage drops were also witnessed during field inspections for all extensions beyond 100km that did not originate from the substation. High voltage drops, below the permissible level can result in increased system maintenance costs, a decrease in the safety and performance of the network as well as reduced expected lifetime of the equipment.

vii. In line with contractual requirements, wooden poles are expected to last up to 20years. Document review and field inspections noted that poles supplied on some projects as; Masindi- Waki-Buliisa, Ibanda-Kazo-Rushere, Gulu-Acholibur, Kitgum-Palabek, Ayer-Kamdini among others, failed due to rotting, insect Infestation, pole burning and breaking. No document was availed to ascertain that quality control procedures were followed. Furthermore, no effort was recognized from REA that the defective wooden poles are claimed back from the respective pole suppliers.

I have made the following recommendations to the Accounting Officer of Ministry of Energy and Mineral Development (MEMD) which has now inherited the functions of the Rural Electrification Agency (REA) under which the GRID power projects were implemented and recommended that;

a. The outstanding amounts owed to contractor's firms are paid for works that are completed and verified to avoid incurring penalties on delayed payments.

b. To continuously address Environmental and social issues in contracts and their implementation and ensure that all contracts for implementation of GRID power projects make it mandatory for the implementation firms to prepare environmental and social impact assessment (ESIA) reports in addition to resultant Environmental Management Plans (EMP) and Resettlement Action Management Plans (RAMPs).

c. Expedite the process of compensating all PAPs taking into consideration the time lag for the delayed payment (9 years since existing assessment was conducted) accordingly, Resettlement Action Plan (RAP) studies should be conducted based on the final designs, where changes are deemed inevitable in the optimal design, such changes should be communicated such that revaluations of new PAPs are conducted.

d. Establish causes of failing wooden poles even after quality tests have been undertaken. The option to use Concrete Poles can also be considered especially given that the quality control during manufacture for concrete poles can easily be monitored and controlled unlike wooden poles whose quality is determined by many factors from the time they are planted, harvested, treated at the factory, and eventually transported to site.

e. MEMD strengthens project management, monitoring and supervision arrangements for GRID power projects to ensure that all GRID projects are implemented within project time lines, indicated in the approved activity work programs and contracts.

f. For Power schemes implemented through concession operators, MEMD ensures that

- The licensed firms operating under concession agreements undertake effective operation and maintenance activities in respect of replacing all non-function GRID equipment as blown fuses, surge arrestors, replacing broken poles, faulty transformers to keep the power lines functional

- MEMD closely monitors and supervises the licensees to establish that they comply with the license terms and conditions and fulfil the objective of increasing access to electricity.

A) Technical Engineering Audit of 39 Selected UNRA Road Development and Rehabilitation Projects implemented during financial year 2021/2022

During the financial year 2021/22, a total of 39 projects (Development, rehabilitation and bridge projects) with a total contract sum/value of **UGX.8.49Tn** were under implementation by UNRA. A sample of nine (9) projects (development and rehabilitation projects) with a contract sum/value of **UGX. 1.86Tn** (21.87%) were selected for audit and the following observations made;

i. Delayed provision of access to project sites resulting in a Loss of UGX.5.64Bn

A loss of **UGX. 5.64Bn** was incurred as a result of failure to access land for road project sites in 6 road projects, this arose from delayed compensation of Project affected Persons (PAPs) for acquisition of land for right of way resulting in the contractors charging UNRA for time related obligations due to failure to access project site and charging UNRA for idle time.

In 6 of the 9 UNRA road projects, access to sites was not achieved as required by the different contract arrangements. This was the case especially where the contracts required the employer to handover a minimum of 30% of the land required for permanent works within 3 months of the commencement and the balance within 12 months. There was no timely access to sites, which resulted in multiple extensions of time and in some instances costs relating to the time obligations. The delays were noted on the following projects;

a. Tirinyi –Pallisa-Kumi where delays led to payment of **UGX. 4.56Bn** for time related obligations
b. Pallisa - Kamonkoli where access delays led to payment of **UGX. 1.08Bn** for time related obligations
c. For Kapchorwa - Suam project where the access to site delayed from 21 days to 441 days from Km 42 to Km 73.
d. Rukungiri-Kihihi/Ishasha where a delay of 70 days was initially experienced and later increased due to non-compensation of project affected persons.
e. Kampala Northern By-pass where access was achieved 5 years into implementation

I advised the Accounting Officer to ensure sites are accessible before issuing commencement orders.

ii. Delays in completion of design reviews

I noted delays in completion of design reviews which delayed timely issuance of instructions to contractors with the maximum time taken of **24 months**. Such delays were observed on the following projects as shown in the table below;

Table 68: Projects with delays in design review

Sn	Project	No. of months delayed
1	Kapchorwa-Suam project	31 months
2	Kigumba-Bulima	24 months
3	Rukungiri-Kihihi-Ishasha/Kanungu	16 months.
4	Kampala Northern Bypass	6 months

I advised the Accounting Officer to ensure that the consultant submits required deliverables within contractual timelines. The UNRA project management team should be held responsible for delays without appropriate justification.

iii. Interest charges of UGX.1.82Bn on delayed payment of Interim Payment Certificates (IPCs) to the Contractors

I established that payments of interim payment certificates to the contractors for eight projects were not on time. Delays in payments of IPCs may lead to interest payments and affect the contractor's cash flows in project execution. The following delays were noted on projects and determination of certificates;

a. For Kapchorwa - Suam project, delays on all IPCs up to IPC No. 7 resulting in an interest payment of **UGX.1.08Bn.**
b. For Tirinyi – Pallisa - Kumi, IPCs 1 to 6 were delayed resulting in a certified interest of **UGX.0.45Bn.**
c. Pallisa - Kamonkoli, delays were observed on IPCs 1 to 7 resulting in a certified interest of **UGX.0.28Bn.**
d. Mpigi town roads, all payments to the contractor were delayed between 28 and 242 days
e. Namunsi – Sironko – Muyembe - Kapchorwa (Phase II), delays on IPCs 5 to 9 ranging from 4 days and over 7 months.
f. Kitala - Gerenge project, delays in payments to suppliers in June 2021
g. Rukungiri – Kihihi - Ishasha/Kanungu, delays in payments on IPCs 1-15 ranging from 8 to 142 days.
h. For Kampala Northern Bypass, payments were delayed and interest paid in Addendum No.3 for all payments up to June 2020.

The Accounting Officer attributed delays to reductions in MTEF allocations resulting in funding shortages.

I advised the Accounting Officer to institute mechanisms to ensure timely delivery of projects and engage PS/ST and relevant stakeholders to ensure adequate funding.

iv. Quantity verification

I undertook measurements on some selected items to establish the consistency with which the supervision team accurately measures the quantities before payments. I established overpayments relating to different projects totaling to **UGX.231.87Mn** & **EUR 47,469.01.** The table below refers;

Table 69: Project overpayments

S/No	Contract/Project name	Overpayment (UGX)
1	Kapchorwa-Suam	20,594,809.19
2	Tirinyi-Pallisa-Kumi	0
3	Pallisa-Kamonkoli	0
4	Mpigi Town Roads (20km	126,896,449.94
5	Kigumba-Bulima	49,129,125
6	Namunsi – Sironko – Muyembe Kasalem (PHASE II)	6,168,276
7	Kitala-Gerenge (in-house construction)	0
8	Rukungiri-Kihihi-Ishasha/Kanungu	29,081,818
TOTAL (UGX)		**231,870,478.13**
9	Kampala Northern Bypass II (Capacity Improvement)	EUR **47,469.01**

I advised the Accounting Officer to recover all the overpayments and institute measures to prevent overpayments.

v. Unjustified application of foreign currency correction factor

I observed unjustified application of foreign currency correction factor which can lead to overpayments if unaddressed. This was established on the following projects;

a. Kapchorwa - Suam project where the foreign currency exchange rates were being applied without justification which might lead to computation errors in price adjustment certificates.
b. Tirinyi – Pallisa - Kumi where use of an erroneous exchange rate of 31st May 2016 (of UGX 3369.52) instead of 30th May 2016 (of UGX 3370.52) resulted into an overpayment of **UGX.54.84Mn.**
c. Pallisa - Kamonkoli where use of an erroneous exchange rate of 31st May 2016 (of UGX 3369.52) instead of 30th May 2016 (of UGX 3370.52) resulted into an overpayment of **UGX.40.05Mn.**

I advised the Accounting Officer to ensure payments are made as per contract terms and the right rates are adopted for payments to prevent any financial loss.

vi. Adoption of a split currency (USD-UGX) in payments for the GoU funded contract leading to a loss of approximately UGX.15.45Bn in foreign exchange

I established that for Mpigi town roads project, the contractor was paid in part foreign currency despite a PS/ST directive against the practice for solely GoU funded projects. **USD.11.15Mn** was paid to the Contractor at an exchange rate of 1USD at UGX. 2,282.1, which meant that Government incurred an extra cost of over **UGX.15.45Bn** to acquire this amount of dollars considering the average USD exchange rate was UGX 3,667.16 during the contract execution period in 2022.

I advised the Accounting Officer to seek an exemption from the PS/ST before using a split currency in payments for GoU funded projects in view of the PS/ST guidelines against the practice.

vii. Irregular advancement of UGX.2.32Bn to the Contractor relating to materials on site

UGX.2.32Bn was advanced to the contractor in payment certificates (01 to 07) relating to materials on site for the Mpigi town roads project without any contractual basis.

The Accounting Officer responded that the materials-on-site value was paid in split currency as per the main road contract.
I indicated to the Accounting Officer that the contract signed for the works in 2019 did not have any provision for payments of materials-on-site. The main contract being referenced did not form any part of the contract documents as listed in the contract agreement.

I advised the Accounting Officer to ensure that the funds are recovered from the subsequent payments.

B) Value for Money Technical/Engineering Audit of Twenty Infrastructure Projects Implemented by Ministry Of Education And Sports Under The Uganda Skills Development Program (USDP)

The Uganda Skills Development Project (USDP) is a five-year World Bank funded project with a development objective of enhancing the capacity of institutions to deliver high quality demand-driven training courses in three priority sectors (agriculture, construction and manufacturing). In line with the objectives of the project, the Ministry of Education is undertaking building infrastructural works in twenty (20) technical institutes.

During the financial year 2021/22, I under took a Value for Money Technical-Engineering audit of Twenty (20) infrastructure projects of the Uganda Skills Development Programme (USDP) worth **UGX. 108.47Bn** implemented by Ministry of Education and Sports (MOES).

i. Procurement of the USDP Infrastructure Projects

I reviewed procurement documentation for the 20 USDP Projects and noted the following;

a. The Terms of Reference (ToRs) for the procurement of the design and supervising consultant were ambiguous in that they did not detail the particular aspects of project similarity yet five (5) of the eighteen (18) bidders were disqualified on the basis of similarity of their projects.

b. Additionally, five (5) other firms were disqualified based on incompleteness of their similar projects yet this was not a requirement under the ToRs.

c. Multiple design and supervision contracts were awarded to one consultancy firm without assessing its capacity to handle all the contracts within the contractual framework. This resulted in challenges during the design hence refusal by the Ministry to effect the supervision contracts.

d. The contracts for the works contractors in Kalango and Ora, and Kitgum Technical Institutes, were awarded to the second and the fifth best evaluated bidders respectively without justification.

I advised the Accounting Officer of MoES to ensure strict compliance with PPDA rules and regulations and World Bank Guidelines on procurement of World Bank funded projects.

ii. <u>Design Omissions</u>

I reviewed the design reports and drawings of eighteen (18) contracts that were prepared by the design consultant and noted a number of omissions some of which were later on introduced as variations during implementation of the construction works.

The omissions included; anti-sag rods and wind bracing members in the steel roof trusses, considerations for rain water harvesting options, retaining walls, generator houses, tank drawings, internal floor drains and storm water designs.

I advised the Accounting Officer to always ensure that designs prepared by consultants are thoroughly reviewed to ensure that they adequately consider all aspects required.

iii. <u>Delayed Completion of Works</u>

I noted delays in completion of the works on ten (10) contracts ranging from 15 to 330 days. Resulting from these delays were liquidated damages totalling **UGX.3.77Bn** that were not charged from the contractors as per contract terms. The table below refers;

<u>Table 70: Unclaimed liquidated damages</u>

S/No	Contract	Delays (days)	Uncharged Liquidated Damages (UGX)
1	Bukalasa Agricultural College Lot 1	90	748,388,026
2	Kaberamaido Technical Institute	110	540,383,514
3	Kalongo Technical Institute	15	41,378,333
4	Ora Technical Institute	44	104,234,819
5	Kitgum Technical Institute	100	293,682,207
6	UTC Bushenyi Lot 1	76	746,294,824
7	UTC Bushenyi Lot 2	330	762,408,141
8	Nyamitanga Technical Institute	226	228,585,432
9	Karera Technical Institute	125	225,437,823
10	Lake Katwe Technical Institute	30	84,004,849
	TOTAL		**3,774,797,968**

I advised the Accounting Officer to review the above contracts and recover the penalties due.

iv. <u>Expiry of Advance Payment Guarantees Prior to Full Recovery of Advance</u>

I observed that on eight (8) of the contracts, the advance payment guarantees expired prior to full recovery of the advances. By the time the advance payment guarantees expired, the unrecovered advances totaled **UGX.4.55Bn** as shown in the table below;

Table 71: Unrecovered advances from expired guarantees

SN	Contract	Unrecovered Advance at Expiry of Guarantee (UGX)
1	Ssesse Farm Institute	509,617,393
2	UTC Lira Lot 2	43,061,091
3	Kalongo Technical Institute	387,890,177
4	Ora Technical Institute	254,620,642
5	Kitgum Technical Institute	440,639,594
6	UTC Bushenyi Lot 2	1,938,309,766
7	Nyamitanga Technical Institute	581,149,404
8	Butalejja Technical Institute	394,579,955
	TOTAL	**4,549,868,022**

Non-renewal of the guarantees may lead to failure to recover the advances paid in the event the contractors fail to complete execution of the construction works.

I advised the Accounting Officer to engage contractors and secure additional advance guarantees and recover the advances otherwise, the advances should be fully recovered on the subsequent payments.

v. <u>Irregular Payments</u>

I noted that various payments across the 20 contracts were irregular due to the absence of documents supporting these payments, duplicate payments and payments for unexecuted works totaling **UGX. 1.95Bn.**

I advised the Accounting Officer to conduct further review of these payments and take appropriate action.

vi. <u>Quantity Verifications</u>

I undertook an analysis of the drawings in the contract documents availed and also undertook measurements on some of the executed work items to establish the consistency with which the supervision team accurately measured the quantities before payments. I noted inconsistencies in some of the quantities certified across all the 20 contracts resulting in overpayments equivalent to **UGX.1.71Bn** from the different projects as shown in the table below;

Table 72: Overpayments in different projects

S/No	Contract	Overpayment (UGX)
1	Bukalasa Agricultural College Lot 1	195,571,075
2	Bukalasa Agricultural College Lot 2	93,966,832
3	Kaberamaido Technical Institute	37,030,169
4	Ssesse Farm Institute	103,786,000
5	UTC Lira Lot 1	129,914,950
6	UTC Lira Lot 2	113,394,178
7	Kalongo Technical Institute	179,818,690
8	Ora Technical Institute	62,686,000
9	Kitgum Technical Institute	123,656,204
10	UTC Bushenyi Lot 1	99,470,240
11	UTC Bushenyi Lot 2	159,959,100
12	Nyamitanga Technical Institute	14,367,666
13	Karera Technical Institute	53,059,096
14	Lake Katwe Technical Institute	60,394,667

S/No	Contract	Overpayment (UGX)
15	UTC Elgon Lot 1	23,112,847
16	UTC Elgon Lot 2	21,469,465
17	Kaliro Technical Institute	8,114,020
18	Butalejja Technical Institute	70,875,186
19	Kasodo Technical Institute	125,683,060
20	Rwentanga Technical Institute	33,199,300
TOTAL		**1,709,528,745**

I advised the Accounting Officer to undertake further re-measurement of all the works and ensure recovery of the overpaid amounts before preparation of Final Accounts and closure of the aforementioned projects.

vii. Supervision of the Works

I noted that the Ministry did not use supervision firms procured and opted to supervise all the twenty (20) sites in-house. Whereas the supervising firm was expected to have four (4) Senior Civil Engineers/Architects, 4 Architects, 4 Quantity Surveyors, 4 Environmentalists and 4 Structural Engineers for all the 20 sites, I noted that at the time of audit, the Ministry only had 2 Senior Civil Engineers, 1 architect, 1 Quantity Surveyor, 1 Environmentalist and 1 structural Engineer for all the 20 sites.

However, the supervisions were undertaken by the ministry yet they had limited capacity to undertake effective supervision.

I advised the Accounting Officer to ensure that future projects are adequately supervised with appropriate specialist.

4.2. REDACTED INFORMATION SYSTEMS AUDIT REPORTS

In accordance with Sections 13 and 22 of the National Audit Act (NAA) 2008, I am mandated to audit all the government investments and carry out special audit engagements that include information technology (IT) Audits. Accordingly, I planned and executed my audits following ISSAI 200: Fundamental Principles of Public-Sector Auditing and INTOSAI 5100 guidance.

I conducted four (4) audits namely; National Security Information System (NSIS) at NIRA; Programme Budgeting System (PBS) at MOFPED, and Uganda Driver Licensing System (UDLS) at (MoWT). Below are redacted versions of my key findings.

4.2.1. Information Systems Audit of the National Security Information System at NIRA

The National Security Information System (NSIS) was first implemented by the Directorate of Citizenship and Immigration Control (DCIC) in the Ministry of Internal Affairs at a contract price of **Euros 64,231,371.49**. After the establishment of the National Identification and Registration Authority (NIRA) the Registration of Persons Act, of 2015, the registration of the person project was transferred to the authority. The Authority commenced the registration of births, deaths and adoptions events on 1st January 2016, a function that was undertaken previously by Uganda Registration Services Bureau (URSB).

The system provides centralized approval and citizenship verification to the point of secure personalization and issuance of biometric and machine-readable National Identification Documents. The major functionality of the NSIS is to reliably identify Ugandan citizens and alien residents.

I undertook an information systems audit of NSIS to establish whether the necessary general, application and specific controls were implemented and consistently applied. Below are the redacted findings which exclude sensitive application and database control weaknesses;

i. Absence of active interfaces between NSIS and other systems

The NSIS did not have active interfaces with other Government key systems such as URA's E-Tax systems that process data relating to Government Non-Tax Revenue (NTR) generated from services offered by NIRA, IFMS and IPPS/HCMS which process Government critical information related to civil servants and other Government suppliers, including the banking sector.

Furthermore, the sharing of information among NIRA internal systems was not automated. For example, in registering childbirth for the birth certificate, the registration officer re-keys the child and parent's information into the BDAR system yet the same information is resident in NSIS.

Lack of proper interfaces with the other critical systems hinders Government effectiveness and efficiency in providing services and may lead to multiple inconsistent information in different systems and delayed delivery of services since procedures are repetitive.

Management explained that interfaces were not done because the system (NSIS) was vendor locked.

NIRA should engage NITA-U and the Ministry of Information and Communication Technology (MoICT) to ensure that all other MDAs and the private sector which rely on its information design strategies to enable interfaces or appropriate integrations with requisite protocols to mitigate misuse of data.

ii. Unimplemented National ID project deliverables

I reviewed the contract and implementation documents and noted the following:

- The integration with the various systems was not implemented.
- The Intellectual Property Rights (SCC 15) were not mentioned in the contract documents, creating challenges in the transfer of the system ownership, or transfer of source code.
- Generally, there were delays in the contract implementation as per the project implementation reports, as result, contract deliverables worth EUROS 421,934.80 were NOT implemented as summarized in the table below;

Table 73: Status of implementation

SN	Item Description	Item Total cost	Per cent delivery (%)	Outstanding (EUROS)
1	Software installation and Integration	1,262,748	90	126,275
2	Technical Project management	1,510,000	90	151,000
3	Training and capacity building	343,100	90	34,310
4	MCES programmer training	10,350	0	10,350
5	Video Surveillance system	100,000	0	100,000
Total				421,935

Source: *Management status report as of 22nd June 2020*

I further noted that the implementation contract had expired in 2012. Subsequently, a Support and Maintenance contract was signed had also been terminated and the vendor had left the site by the time of the audit.

This may be attributed to the lack of a contract manager/management team as required by Section 52 (1) of the PPDA (contracts) Regulations 2014.

Management explained that the contract was signed between the Ministry of Internal Affairs and Muehlbauer ID services GmbH in 2010, but implemented in 2014 following the Cabinet approval of the project team consisting of a policy committee comprising of Ministers chaired by the Prime Minister, a Steering Committee chaired by the Minister of Internal Affairs/Projector Coordinator, and Project Implementation Team chaired by a Project Manager.

The system was built and was able to deliver the objectives of the project i.e., registration of citizens (16+ years) and achieved over 90% of the targets. This led to the enactment of ROPA 2015 and the establishment of NIRA to consolidate the achievements of the project.

Subsequently, with the establishment of NIRA, all contracts were assigned, Contract Managers.

I advised the Accounting Officer to always streamline the management of the projects, by timely appointing the contract management team in accordance with PPDA regulations and industry best practices to facilitate effective project management. In addition, the Accounting Officer should explore ways of recovering costs relating to unimplemented deliverables.

iii. Weak IT governance structure

I reviewed the IT governance structures of NIRA in line with industry standards and noted the following:

- There was no alignment of key ICT business functions/units in the authority. For instance, the birth and death systems were not integrated with the registration systems, leading to inconsistencies and inefficiency in the utilisation of data.

- A number of IT policies were still in draft form for about three years due to the lack of an IT steering committee.

The above was attributed to a lack of appropriate IT governance structures in the Authority.

Management indicated that it had concluded policy drafting, awaiting Board approval and shall make sure they are in place before the end of FY 2022/23. The IT steering/strategy committee shall as well be constituted by the end of the first quarter of FY 2022/23.

I advised the Accounting Officer to engage all stakeholders and institute appropriate Governance structures to foster the management of IT to effectively deliver its mandate.

iv. <u>Absence of IT governance policies and strategy</u>

NIRA did not have IT governance policies and guides such as;

- IT Strategic Plan
- IT risk assessment/management policy
- IT security policy

As a result, IT planning is performed on a reactionary ad-hoc basis and no IT Risk Assessment is carried out. Furthermore, the NIRA Board had not approved a security policy.

Given the dynamic nature of the IT environment, risks emerge continuously, and some may culminate into disastrous outcomes if left unchecked.

Management explained that NIRA IT-related policies were awaiting Board approval and shall ensure all are in place by the end of FY 2022/23.

I advised Management to fast-track the approval of the policies and strategy, as well as institute mechanisms to timely update and implement them.

v. <u>IT continuity plans/disaster recovery plan</u>

NIRA undertakes regular backup of data on backup tapes but comprehensive testing of the procedures for backed-up data recovery had not been conducted to establish the effectiveness of data recovery. In addition, the Authority did not have a Disaster Recovery Plan in place as required by industry practice.

Considering the degree of the country’s reliance on data from NIRA, any disaster may lead to major disruptions in the economy, including loss of data and revenue.
Management explained that they have a Disaster Recovery Plan that is being implemented in phases. However, an updated draft was waiting for Board’s approval and shall ensure it will be in place by the end of FY 2022/23. They further noted that Activities in this plan, like, the acquisition of Disaster Recovery Centre equipment had been embarked on and a contract awarded to USPC. In spite of Management's assertion, a disaster recovery plan was not provided for review.

I advised Management to expedite the development and maintain a robust disaster recovery plan to ensure continuity of business in case disaster strikes.

vi. Overlapping/conflicting roles on NIRA systems

A review of the system user roles and responsibilities revealed that some system users at NIRA hold conflicting roles. I noted one user having responsibilities for Application and Database Administration. In addition, Assistant Registration Officers at districts were performing IT Officer roles on the system.

There is a high likelihood of data fraud and theft without being detected by Management, arising out of misuse of conflicting/overlapping user responsibilities.
Management explained that due to insufficient staffing numbers, officers were doing more roles and activities. Structure changes can only be expected after the Ministry of Public Service RAPEX exercise.

I advised Management to ensure that the roles of users are adequately segregated and documented to ensure that no single user starts and completes a transaction on their own.

vii. Lack of Service Level Agreements (SLAs) between NIRA and various system vendors

There were no SLAs between NIRA with the various providers of the critical systems used within the organization such as; the National Security and Identification System (NSIS), the Mobile Vital Records System (MVRS) and the Birth Death Adoption and Registration system (BDAR) system.

Without the SLAs, it is hard to measure and verify vendor performance in providing services, such as; service availability, defect rates, technical quality, security and business results, among others. In addition, it should specify the remedies in case of non-compliance with service-level standards.

Management explained that at the time of the Audit, NIRA did not have SLAs in place but had since entered into contracts for software support and maintenance for the NSIS and MVRS systems.

I advised Management to negotiate and monitor SLAs with the respective vendors to ensure reliability and uninterrupted service delivery.

viii. Transition and migration from Muehlbauer ID Services Gmbh NSIS to the USPC NSIS

On 19th March 2010, the Government of Uganda and M/S Muehlbauer ID Services GmbH entered into a contract for the establishment of the National Security Information Systems (NSIS) Project and related services. Subsequently, in 2017, GoU entered into a Joint Venture Agreement resulting in the formulation of Uganda Security Printing Company (USPC) for the exclusive production and supply of all security documents for you, including national identity cards and birth and death certificates. Accordingly, NIRA signed the JVA in which the production of national identity cards and certificates of birth and death were to commence in the financial year 2020/2021. I reviewed the transition documentation and noted the following;

a) **Lack of a strategy for transition from M/S Muehlbauer ID Services Gmbh NSIS to the USPC NSIS**

There was no formal strategy or transition plans from Muehlbauer ID Services GmbH to Uganda Security Printing Company in particular regard to; scope, migration design, data migration (process flow data and processed and stored data, biometric data) testing design, recruitment of new staff, organizational support, assessment of existing equipment/technologies and compatibility.

Management explained that a transition strategy including a data migration plan was being finalized with USPC.

b) **Departure from the provisions of the Joint venture Agreement**

I reviewed the Joint Venture Agreement between Uganda Printing & Publishing Corporation, Ministry of Finance, Planning and Economic Development, Office of the President and the consortium of Veridos GmbH and Giesecke & Devrient GmbH stipulates the obligations of the Uganda Security Printing Company that includes:

- The establishment of modern paper-based security printing and card production lines,

- Demolishing and constructing new buildings at Uganda Printing and Publishing Corporation (UPPC) suitable to house machinery for printing and support quality security printing works,

- Installation of modern machines/equipment to run and manage high-quality security print services for the documents that were previously printed by UUPPC and other security documents as shall be agreed,

- Ensure that consumables needed for the manufacture are available at the best prices,

- Establishment of an efficient and appropriate IT infrastructure and equipment that can enable effective delivery and usage of security documents in Uganda.

- Supporting systems, the e-passport system, including IT systems and equipment that can enable effective and efficient delivery and application of security documents in the country. This also includes service and maintenance of the systems.

- Ensure compatibility of technologies
- The consortium shall ensure that technologies supplied to the company are capable of integration with other third-party systems and in every way support the delivery of services or products under this agreement.

- In case technologies are incapable of integration, the parties shall provide the necessary means of acquiring data /information from existing systems.

Examination of the NSIS architecture, the joint venture agreement and respective information revealed the following;

The National Security Information system is made up of two major interfacing systems;

- <u>SDMS (Secure Document Management System)</u>**-**

  This system is responsible for enrolment and registration and contains manages the database and the life cycle of all applicants and monitors any changes, additions and death of a citizen. SDMS has four sub-modules;

  - **GET ID** -This is the enrolment solution responsible for enrolment, card issuance, replacement and change of particulars
  - **DEOS (District Enrolment Offline/Online system**)-this system/module of the NSIS has two instances;
  - **DEOS Site**-This aggregates different kits attached to a particular district/station
  - **DEOS Central**-this aggregates data from different stations/districts on the central server
  - **FRS** (Fingerprint recognition system)
  - **AFIS** (automatic Face Recognition system)

- <u>INCAPE (Integrated Card Personalization)</u>

  This is the system/software responsible for the printing and production of the national identity cards

  Contrary to the provisions of the Joint Venture, USPC has been expanded to include;

  - Supply both the enrolment registration system to replace the Secure Document Management system (SDMS) that is responsible for enrolment, Registration, Fingerprint capture, Face recognition and card issuance.

  - The system responsible for national identity card production -INCAPE, rather than the supply of only the system that supports printing and production of National identity cards (INCAPE) as provided for in the Joint Venture.

Expansion of the scope outside the joint venture agreement exposes the Authority to the risk of losses in case of disagreement in the implementation. In addition, procurement using MoUs for a company which is single-sourced contravenes PPDA regulations.
There was no Management response on this matter.

I advised Management to strictly adhere to the provisions of the Joint Venture Agreement.

c) <u>Monopolistic agreement</u>

A review of the joint venture agreement between Uganda Printing & Publishing Corporation, Ministry of Finance, Planning and Economic Development, Office of the President and the consortium of Veridos GmbH and Giesecke & Devrient GmbH revealed the following;

- Clause 18.1 states that the territory of the company is the national territory of Uganda unless otherwise mutually agreed by shareholders. The company shall have exclusive rights to provide products and services under the Joint Venture Agreement.

- Clause 20.2 states that except for the e-passport system and National ID card project, the company shall be given first priority to locally manufactured goods and locally provided services which meet the technical specifications, quality standards and economic viability defined by the company.

For the e-passport and National ID card project and where goods manufactured or services provided in Uganda do not meet technical specifications, including quality, quantity, the timeline for delivery and economic viability required by the company, the company shall procure such goods through the consortium as a supplier. Specifically, the consortium shall;

- Be the exclusive supplier to the company of raw materials and semi-finished products manufactured by the consortium.
- Be the preferred supplier to the company of materials not manufactured by the company.
- The consortium shall for the duration of this agreement.
- Be the exclusive supplier to the company of machinery manufactured by the consortium.
- Be the preferred supplier of machinery for the factory not manufactured by the consortium.

In light of the above, the Consortium shall be the sole supplier for 15 years – which exposes the country to the risk of contract locking and manipulation arising from monopoly.

In addition, the Government of Uganda represented by Uganda Printing and Publishing Corporation, Office of the President and Ministry of Finance, Planning and Economic Development shall have no input in the supply of raw materials and machinery which annuls the provisions of the Public Procurement and Disposal of assets.

d) <u>Acquisition of a Vendor locked system</u>

Vendor lock-in, also called proprietary lock-in or customer lock-in, is a technique used by some technology vendors to make their customers dependent on them for products and services by making it hard to switch to a competitor without substantial costs or difficulty. This is done by developing solutions that are platform-dependent and that only run with limited, third-party partners. The dependency is usually created using standards that are controlled by the vendor and which grant them a level of monopoly power that becomes increasingly profitable because of the dependencies they have created. The vendor product will be incompatible with other hardware, operating systems, or file formats, which forces the customers to continually purchase more products from the vendor and their small group of partners.

The transition from Muelhbauer to Uganda Security Printing Company is hinged on the joint agreement between the Government of Uganda and the consortium simply implies a change from one vendor locked-in system to another, together with the corresponding disadvantages amongst which are the following;

a) Loss of the ability to negotiate prices
b) Vulnerability to unsolicited/forced upgrades
c) Significant costs of conversion of data to a format useable by USPC systems
d) Significant costs in migration of data to the new systems and ultimately corruption and loss of critical data during conversion.
e) Complete decommissioning of Muehlbauer software and hardware that was acquired at hefty prices. These include enrolment kits, computers, personalization machines, quality control scanners, blank polycarbonate national identity cards, servers etc.
f) The transfer of system ownership and handover of source code after 15 years was not clear.

I advised Management to consider engaging the Attorney General to review the Joint Venture Agreement and address the aforementioned risks in line with industry standards.

ix. <u>Basis/Justification for the transition from the M/S Muehlbauer to Uganda Securities Printing Company</u>

Project initiation is a key stage of system development during which the initial concept is prepared, and the business case is developed. It entails the user department justifying the need for a new system and its intended benefits to the organization, defining the scope of the project, establishing available options, rating the criticality of the need, highlighting the project team and preparation of a budget for the project among other related issues.

A review of the ongoing transition between the NSIS supplied by Muehlbauer to the National Identity Card system supplied by the Uganda security Information system revealed that the required standard processes were not adequately followed. For instance, no formal and well-documented business case to justify the need for decommissioning of the NSIS was conducted.

In the absence of a clear transition strategy plan and weakness in the joint venture identified may lead to business interruptions, loss of data during migration, cost overruns, scope creep, late delivery of outputs and failure to meet the business objectives for which the systems were set up and ultimately wasteful expenditure.

I advised Management to review the system acquisition process and the Joint Venture Agreement to address the weaknesses identified to ensure data security and preservation, as well as effective and efficient implementation of the project.

x. Gaps in the ID registration process

Despite heavy investments in ICT solutions, the ID registration process is still manual, where application or registration cannot take place without a manual file. There are unnecessary delays in the transfer of information from the registration kit to the server; the filled data is uploaded onto the server at the end of the day if not week depending on the availability of the Information Technology Officer (ITO) /District Registration Officer (DRO); sometimes, it will require for an ITO from the neighbouring district to do the upload before getting to the central server for processing.

The upload of a filled application to the central server is done using a flash disk, which is prone to theft and errors at the enrolment and processing/ decoding using the manual server upload. Over **10,806,384** IDs had not been processed, especially the IDs that require verification by the committee and over **13,650,427** million IDs had not been picked/issued by clients, some date as far back as 2014.
It should be noted that all the IDs are due to expire in 2025.

The stated gaps have led to extended delays in processing NIDs, which are likely to prevent the Authority from delivering its mandate. In addition, undelivered cards may expire before issuance.

Management acknowledged that it was true that the current system was offline between the kit and the district server, and it was because at the time of acquisition of the current NSIS system connectivity infrastructure in Uganda had a limitation.

I advised Management to consider automating citizen registration processes during the implementation of the new system and fast-track issuance of the cards.

xi. Lack of a proper inventory management system

I reviewed the National ID inventory system and noted the following;

- No formal documented process of tracking the movement of stock/ blank cards
- Non-existent validation of incoming inventory from the storage to establish accurate stock counts as blank cards are replenished.
- Failure to streamline the put-away, picking, packing, and shipping to prevent misplacements and lost stock.
- Lack of a physical verifiable record of the cards designated for destruction.

The above issues; unplanned stock-outs, dispatch delays, and misplaced cards within the warehouse may severely impact service delivery.
I advised Management to automate the inventory management processes at the warehouse.

xii. Gaps in the management of the provision of access and use of information services to any department

Sec 67 of the Registration of Personal Act (ROPA) 2015 provides that the Authority shall provide access to the use of the information in the NIRA to a Ministry, Department or Agency of the Government. I reviewed the implementation of this provision along with NIRA services and observed the following;

a) Ad hoc Access and Use of Information

There were no approved guidelines by the Board for Access and Use of Information NIRA as required by Regulations 3(7) and Regulation 6(2) of the Registration of Persons (Access and Use of Information) Regulations, 2015 setting out the access protocols and levels for persons, Ministries, Departments or Agencies of Government

b) Irregular access and use of NIRA Information service without a valid Memorandum of Understanding (MoU)

Out of the **sixty-seven** entities that are connected and share citizenry NSIS data, only **twenty-six** agencies had MoUs with NIRA while **forty-one** did not have any.

c) Revenue loss due to Laxity in the enforcement of third-party obligations relating to the usage of data

I noted a significant variance of **UGX.5,350,144,980** between the amount that was due to NIRA and actual collections from those agencies using NIRA NSIS data Failure to develop guidelines for information access hinders appraisal of the process and procedures for compliance purposes. In addition, in the absence of an MoU signed with these agencies, the National Register is at great risk of unauthorized access and breach of confidentiality and may also result in loss of NTR.

Management noted that the usage of data by all the agencies referred to had been exempted from paying fees by the Minister in accordance with the Registration of Persons Act, 2015. Management added that guidelines for access levels have been developed and submitted to Solicitor General for review.

I advised Management to ensure that all agencies with access to and using NIRA data have valid MoUs. In addition, Management should develop guidelines to ensure work complies with the requirements of the Regulations.

xiii. Failure by NIRA to execute its mandate on the registration of resident aliens

NIRA was not executing its mandate of registering the resident Aliens in the country. As a result, the information presented for the audit revealed that the authority failed to collect **USD.14,780,000** that was budgeted NTR in that regard.
Failure to utilise Alien registration NSIS functionality makes the system underutilised and could lead to loss of revenue.

The Alien registration functionality was not fully completed by the previous vendor, it was stopping at data processing and assigning Alien Identification Number. The new system will cater for it.

I advised the Accounting Officer to ensure that the functionality is implemented as planned in the new system.

4.2.2. Information systems audit of the Programme Budgeting System (PBS) at the Ministry of Finance, Planning, and Economic Development (MOFPED)

The Government of Uganda has been implementing reforms in the national budgeting system spearheaded by the Ministry of Finance, Planning, and Economic Development (MOFPED). The budget system has evolved from the input budgeting approach, Output Oriented Budgeting (OOB) model and to outcome budgeting model to enhance effectiveness, accountability and transparency in Government. The OOB was first implemented using a standalone Output Budgeting Tool (OBT) system based on a Microsoft Access platform. The Ministry is currently implementing the Outcome Budgeting System based on NDP III outcomes.

The Standalone OBT Microsoft Access-based Platform had challenges, such as; Manual budget consolidation; Inability to perform comparability; inadequate automation of updates and upgrades; decentralised database management and absence of interfaces and integration with other systems.

In FY 2018/19, the Government implemented the Programme Based Budgeting System (PBB) to overcome the above challenges and strengthen the link between Government Strategic Objectives stated in the National Development Plan (NDP) II. The Programme Budgeting System (PBS) with a centralised database and application to perform budget preparations and reporting functions with effect FY 2017/18 to address the challenges paused by the OBT is being implemented. The PBS was rolled out to all MDAs including Missions and later, the Local Governments starting FY 2018/19.

The Specific objectives of the PBS include;

a) Ease and automate the consolidation of budget frameworks papers, estimates, and budget execution reports across MDAs;
b) Automate exchange of data with other systems such as IFMS and IPPS;
c) Provide access to historical budget data by users within MDAs and LGs;
d) Enable central management and maintenance of the application;
e) Improve security management by restricting user access appropriately and delineating roles and responsibilities on the system among users;
f) Access from any point with an internet connection.

In addition, the PBS was enhanced to accommodate the changes to the new chart of accounts to facilitate the implementation of the National Development Plan (NDP) III. As a result, by the time of the audit, the system was undergoing enhancement of its features.

I undertook the review of the system to assess the adequacy and effectiveness of the application, database, operating system and storage controls, and physical computing environment. Below are the redacted findings which exclude sensitive application and database control weaknesses;

i. Absence of an IT Strategic Plan

MoFPED relies heavily on ICT to deliver services through the management and allocation of public resources, monitoring the utilization and accountability of public funds. However, despite its reliance on ICT, it does not have a specific ICT strategic plan to guide the ICT investment.

Consequently, the absence of a strategic plan for MoFPED ICT services led to;

a) Adhoc IT investment decisions
b) Creating misalignment between IT initiatives and the Ministry's business strategy and priorities
c) Frustrating monitoring of service levels and service improvement.
d) Increased costs of ICT management.
e) Duplication of systems and hiring similar Human Resources.

Management explained that the management of IT systems is based on individual departmental ICT plans. The Ministry is in the process of consolidating all ICT systems. Thereafter, will develop the IT Strategic Plan by the end of the first half of this Financial Year.

I advised Management to develop, adopt and implement a comprehensive strategy/strategic plan with the involvement of all stakeholders.

ii. <u>Inappropriate Reporting Line for IT Contract Staff</u>

The ICT structures of any organisation define employee hierarchy to ease coordination and decision-making in achieving the overall organisation objectives.
Management through Resource Enhancement and Accountability Programme (REAP), recruited seven (7) IT, staff, with two-year renewable contracts to manage the PBS. The IT staff are categorised as IT Specialists, System Administrators and Systems Officers. A review of the structure and employee responsibilities revealed the following;

- The PBS IT staffs were limited to only supporting the Budget Directorate, rather than the entire Ministry.
- Some of the staff had specialised skills and expertise like application development and business process analysis that could be applied to support the PBS and other systems owned by the Ministry, however, updates of PBS are still outsourced.
- The said staff report to the Director Budget and Commissioner Budget Policy and Department Evaluation, contrary to the macro human resource structure of MoFPED which categorises them under Management of Information Systems.

I further noted that the IFMS IT staff also report to the Accountant General instead of reporting to the centralised ICT Structure Director MIS.

This implies that the ICT investments are not centralised and are implemented at a departmental level exposing the Ministry to the risk of duplication and wastage of resources. In addition, there is a misalignment of ICT development with Ministry business functions.

Management explained that the Ministry in consultation with the Ministry of Public Service and the Ministry of ICT will streamline the ICT staffing structure, as recommended.

I advised Management to consider the integration of ICT development into one department to rationalise investment and human resources. This will further enhance system integration and efficient support and maintenance of systems.

iii. Non-performance of IT risk assessment and management

Performance of IT risk assessment and management on a recurrent basis is critical for the successful implementation of IT solutions. The practice determines the likelihood and impact of identified risks and then designs responses to the risks identified, including the performance of a cost-benefit analysis and assigning responsibility for execution.

During the audit, I observed that risk assessment with regard to the implementation and utilization of PBS had not been performed. PBS shares information across other systems such as IFMS, and IPPS with different risk exposure and there are dependencies among critical business processes, applications and other integral information systems and IT infrastructure components that are subject to risk and vulnerabilities.

In addition, the IT environment is very dynamic and susceptible to vulnerabilities like cyber-attacks and disruptions which may lead to disaster and unavailability of services if the risks are not managed adequately in a proactive rather than reactive approach. This was attributed to the lack of a risk management strategy/policy that would be based on undertaking assessments.

Management explained that the PBS system is hosted on the IFMS infrastructure and its benefits from the IT security policy of the IFMS data centre. Equally, the Government of Uganda (G.O.U) Risk Management Strategy (2018) outlines Technological Risks as one of the categories of risks to address. Further, the PBS relies on support from NITA-U and Uganda Police Force which conduct periodic security and risk assessments.

In addition, the Ministry explained that it is in the process of implementing Enterprise Risk Management and it is expected that this will improve the way risks are identified and managed throughout the different departments of the Ministry.

I advised Management to review its current risk management strategy or develop a separate IT Risk Assessment/Management framework that will guide the proactive management of risk.

iv. Inadequate capacity of Internal Audit to review the operations of the PBS

Section 48(b) of the Public Finance Management Act 2015 requires Internal Audit to evaluate the effectiveness and contribute to the improvement of risk management processes of a vote.

In line with the above, MoFPED has an Information Technology and Performance Audit Department which is tasked with reviewing IT systems that are used in the preparation of financial statements and assessment of the control environment of IT systems used across Government entities.

However, I noted that the internal audit function lacks the capacity to review the PBS operations. I further noted that the PBS does not have an internal audit module to facilitate regular internal audit reviews.

The lack of active participation in the internal audit function implies that there is no timely detection of errors and identification of risks.

Management indicated that the Ministry has a Forensics, & Risk advisory department, which is in the process of developing the Enterprise Risk Management Frame Work, for the entire government, the IT systems inclusive.

Furthermore, management explained that the IT & Performance Department has a core team that was trained in IT audit and rolled out a plan to audit all systems in government including the PBS. Internal audit staff will be made users on the PBS, as recommended.

I await the outcome of the Accounting Officer's actions.

v. Non-testing of the Data Backup

Backup tests are conducted to verify the completeness and precision of the backup, appraise and evaluate the staff's capability to restore the backup and coordinate the recovery response process.

Whereas PBS backups were being undertaken at MoFPED, the backups were not being tested and documented to confirm the completeness and ability of staff to undertake recovery procedures should an adverse disruptive event occur.

It may result in loss of data and uncoordinated disaster response in the event of disruptions.

Management explained that regular backup tests are carried out and they are now documented.

I advised Management to design procedures to undertake periodic recovery tests from backups and address any outcome of non-recovery of backed-up data.

vi. Inadequate internal capacity to operate the system

Section 12.1.14 and 12.1.15 of the proposal page 112 require the vendor to provide you with 1 month of onsite support after go-live implementation at the head office as well as one resource for 6 months to provide support to MoFPED. This was aimed at building the capacity of the in-house PBS team as well as facilitating knowledge transfer.

However, I established that by May 2022, the project was still dependent on project consultants, contrary to the provisions of the contract.

In the circumstances, the intended capacity-building targets had not been achieved.
Management indicated that;

- During support, when a complaint is raised by a system user, it is handled by the first level of support which is the Business and functional team in the Budget Policy and Evaluation Department (BPED).

- On ascertaining that the issue is not user-related or due to data entry mistakes, it is referred to the PBS in-house IT team for assessment.
- It is only issues that cannot be resolved at that level that is forwarded to the PBS consultants for further action. Minor issues are resolved within two (2) hours while major issues are fixed within 24 hours.
- Training of the in-house team is an ongoing process despite the continuous upgrades. The Ministry is currently rolling out capacity-building programmes.
- With the stabilization of the system, the Internal IT team will be in a position to fully take over maintenance and development activities with minimal support from the consultants.

I advised Management to enhance internal capacity through knowledge transfer to local staff to ensure self-reliance and reduce the costs of system maintenance.

vii. <u>Failure to comprehensively utilize Quality Assurance Services</u>

Quality Assurance services review results and deliverables within the different phases of the System Development Life Cycle (SDLC) and confirm compliance with the system requirements, advise on deviations and recommend process improvements.

I noted that the Ministry did not engage independent quality assurance services during the implementation of the system. The review of the contract management file for the EPBS revealed that the vendor would present to management the status of the project and the Annual Technical Support without the Ministry's independent verification of the quality of the deliverables.

I was not availed with reports covering quality assurance for key deliverables of the project such as data migration, system integration, stress and functional testing, user acceptance testing, and detailed go-live, among others.

The absence of independent quality assurance exposes the entity to risks of multiple escalations of support, delayed project completion and the system may not meet its functional and systems requirements.

Management indicated that the Ministry works in consultation with the Ministry of ICT, NITA (U), the Uganda Police ICT Directorate, and other MDAs to conduct the user acceptance exercise, upon which the reports are approved. However, that notwithstanding, Management shall implement the Auditor General’s recommendation of acquiring quality assurance services in future projects.
I advised management to ensure that a comprehensive quality assurance process is undertaken during project implementation to enhance compliance with system development.

viii. <u>Failure to operationalize interfaces for systems integration</u>

The PBS enhancement technical requirements provided for a review and support of the existing interfaces with the PBS and the development of interfaces using open application programming (Open API) for the Enhanced PBS for the existing interfaces Integrated Financial Management Systems (IFMS), Inter Personnel Payroll System (IPPS), Aid Management Platform (AMP), Human Capital Management (HCM), Online Transfer Information Management System (OTIMS) and any other identified external systems incidental to PBS such as the IBP among others. The interfaces support transactions using data exchange and integration with Government systems.

GoU through NITA-U implemented a data integration platform, the Ug-Hub, to automatically and securely exchange data and services within Government and its strategic partners, improve e-services, reduce development costs, promote data reuse and prevent information redundancy.

Management had explained that the PBS interfaces were planned to be operationalized after the budget planning and preparation activities for the year 2022-2023 are completed and before the budget approval.

Non-development and updating of interfaces may lead to errors in the budgeting data and inaccuracy of information between systems. It also compromises the efficiency of the system as created to deliver.

Management further explained that the EPBS interfaces ride on the NITA-U Platform (UG-Hub), which is restricted to PBS, IFMS and HCM. Whereas the HCM interface has been implemented on the platform, the interface with IFMS is currently ongoing and the delay has been attributed to the time lag in upgrading both systems.

I advised Management to engage the different stakeholders to ensure the information-sharing interfaces are developed, tested and implemented to support the PBS global role.

ix. <u>Failure to update changes in the budget figures after supplementary and virements</u>

An approved supplementary budget allocates additional funding to Ministries, Departments and Agencies (MDAs) whereas virements reallocate resources to different budget items in a financial year. Supplementary and virements, therefore, change the budgetary figures for the year.

A review of the old PBS revealed that changes in the budget (supplementary and virements) after appropriation, preparation and submission of approved budget estimates were not reflected in the final performance reports. Only the original appropriation is uploaded to the system.

Whereas the PBS was configured to support the preparation and approval of supplementary virements, the adjustments are not reflected on the overall budget ceilings of the MDA. Consequently, performance in areas where supplementary /virements have been applied is not accurately disclosed in performance reports.

There is a risk of inaccurate reporting as the baseline budget figures for some entities that get additional funding through supplementary budgets.

Management explained that once appropriated, the initial approved budget is not altered on the PBS. However, the system captures all budget adjustments, including virements and supplementary budgets. Additionally, the proposal to modify the Quarterly performance reports to display the Revised Budget column in addition to the Approved Budget will be explored, as recommended.

I advised Management to improve PBS reporting templates and ensure the inclusion of supplementary budgets and revised budgets to enhance the accountability and usability of reports.

x. Absence of a basis for allocation of funds for the PIAPs in the current budgeting cycle

The NDP III Programmes Implementation Action Plan (PIAP) outlines the key programme elements which are; the Programmes themselves, Sub-programmes, Objectives, Interventions, Outputs, Actions, the Lead implementer and other implementing MDAs for the activities.

The PIAP provides annual estimates of financial resources to be invested by the Government to realise the goal of the NDP III. It also consolidates the financial resources required to implement the actions of all the 20 Programme Implementation Action Plans (PIAPs). The resources are disaggregated by Programme and by the MDAs and LGs responsible for their implementation.

However, I noted that the budget ceilings/MTEFs set for the several programmes, sub-programmes, objectives and interventions do not match with the annual set figures in the PIAP. The MTEFs are not set based on the PIAP estimates set, yet the MDAs are required to report deliverables and perform using the PIAP outputs/indicators.

A sample of PIAPs and appropriated figures for FY 22/23 shown in the table below indicate variances in budget figures for several programmes with some such as Human Capital Development having allocations exceeding the PIAP allocation by **UGX.2,711.43 Bn** and an overall deviation of **UGX.8,633.12 Bn** less than the PIAP projected figures for the same FY.

Table 74: NDP III Public sector Budget Allocations against Approved Budget estimates FY 22/23 for selected programmes

Programme	NDP III Public sector Budget Allocations (Ugx Bn.) FY2022/23	Revised Annual Budget Estimates (UGX Bn.) FY2022/23	The variance between annual Budget Estimates & NDP III (UGX Bn.)	Percentage Variances
Intergraded transport infrastructure and services	5385.00	4171.65	-1,213.35	-22.53%
Regional Development	4228.00	1190.18	-3,037.82	-71.85%
Climate Change, Natural Resource, Env't & Water Mgt	2088.00	617.40	-1,470.60	-70.43%
Public Sector Transformation	3847.00	206.28	-3,640.72	-94.64%

Deviation from the PIAP targets may lead to failure to achieve the NDP III planned targets as indicated above.

Management indicated that whereas the MTEF ceilings are projected based on the resource envelope, the PIAPS allocations are based on the NDP III strategy. This may not affect the NDP III targets over the medium term as the economy recovers from the impact of COVID-19 and the Global Economic challenges. Nonetheless, MoFPED, NPA and all stakeholders are undertaking a medium-term review, to ensure that the MTEF and the NDP III are in tandem.

I advised Management to embrace Program based budgeting to ensure alignment of NDP III PIAPS and facilitate the attainment of the national development goals and objectives.

xi. Reporting NPD III objectives indicators as percentages

At the strategic/macro level, tracking progress made during the implementation of the NDP III is done through a set of NDP III strategic level objectives indicators. The five strategic objectives are;

- Enhance value addition in Key Growth Opportunities
- Strengthen private sector capacity to drive growth and create jobs
- Consolidate & increase stock and quality of Productive Infrastructure
- Enhance the productivity and social well-being of the population and
- Strengthen the role of the State in development.

The measurement basis of the indicators in PBS is fixed in percentage even for indicators which can be measured in other forms such as days, currency among others, as indicated in table below;

Table 75: PIAP indicators and their measurement

Indicator	Measurement in PIAPs	Measurement basis in PBS
Average monthly nominal household Income	UGX	Percentage
Net annual no. of jobs created	Number of Jobs	Percentage
Energy generation capacity	Megawatts	Percentage
Water usage	M3 per capita	Percentage
Life expectancy at birth	Years	Percentage
Maternal Mortality Ratio/100,000,	No per 100,000	Percentage
Travel Time with GKMA	Min/Km	Percentage
Travel Time on Railway Network	Days	Percentage
Freight Cargo Traffic	Tones	Percentage
The unit cost of Internet	USD	Percentage

Failure to link the NDP III objectives' indicators to the reporting output indicators leads to misleading reporting of the achievements.

Management explained that data on PIAPs was loaded on the PBS based on a submission from NPA. Nonetheless, the Ministry reconciled the indicators with NPA as part of the ongoing review of the NDP III.

I advised Management to continuously engage NPA and other stakeholders to develop practical performance indicators to facilitate performance assessments.

xii. Failure to Promote the Independence of Internal Audit in the Budgeting process

I noted that the PBS system allows budget ownership of cost centres (departments) at the entity level.

Whereas this is a good way to enable budgeting, it has suffocated the independence of the internal audit function in MDAs as most internal audits are units and not departments. As a result, their budgets are included under the finance and administration departments which limit the internal audit independence.

Without the ability to plan and budget for their activities and having to depend on the approval of the finance and administration department for the allocation and releases, the work of the internal audit function will be grossly affected hence leading to a conflict of interest.

Failure to have an independent internal audit unit weakens the internal controls in an organisation since it will have to seek approval and release its resources from Management.

Management explained that the creation of Departments on the PBS is premised on the approved structure by the Ministry of Public Service.

In the spirit of good governance, management should configure the PBS system to enable the internal audit units and/or departments to independently budget for their activities.

4.2.3. Information systems audit of the Uganda Driver Licensing System (UDLS) at Ministry of Works and Transport (MoWT)

The Uganda Driver Licensing System (UDLS) is a project by the Ministry of Works and Transport to license drivers and improve safety on the country's roads. It is run by the Uganda Security Printing Company (USPC), which is a joint venture between the state-owned Uganda Printing and Publishing Corporation (UPPC) and M/S Veridos GmbH, a German firm.

UDLS is a System used in production and issuance of computerised driving licenses by USPC on behalf of Government. UDLS Development project commenced in 2020 and became operational in March 2021. USPC replaced M/S Face Technologies whose contract had expired on 28th February 2021.

The major processes of UDLS include; Application for the Driver License (Reception-Front Desk), Client enrolment/Biometric data capture/Live Scan, Approval/Validation of the client data captured, Payments for the Driver's Permit, Driver's Permit-Card Production and Driver's Permit Issuance to the clients who can access services from the Kampala office and the six (6) regional offices i.e., Mbarara, Fort Portal, Jinja, Mbale, Gulu and Arua.

I undertook the review of the system to assess the adequacy and effectiveness of application, database, operating system and storage controls, and physical computing environment. Below are the redacted findings which exclude sensitive application and database control weaknesses;

i. Incomplete Records for Capital and Operational expenditure

According to the contract price schedule, I noted that USPC is expected to invest **EUR.13,777,814** between the 1st and 7th year of operations in Capital expenses while **EUR.3,132,958** in annual operational costs.

I was not provided with all the expenditures (Capital and Operational) to substantiate the investments USPC had made by the time of the audit.

In the absence of complete expenditure records for both Capital and Operational costs, I could not assess the extent of investment made by USPC at the time of the audit.

Management had requested in their letter dated 25th March 2022 for an extension of the audit period in which they had hoped to provide the outstanding documents. However, the documents remained outstanding despite the extension of the audit period.

I implored Management to ensure that investment records are properly kept to track the USPC investment.

ii. Management of UDLS Project Assets

I noted the following inconsistencies in the Management of UDLS Assets;

a) Sub-contract of UDLS Asset Acquisition to Technology Associates (TA) and Integrated Transport Solutions Limited (ITSL

I established that Ms Technology Associates (TA) was outsourced by M/S Veridos GmbH and Veridos Uganda to manage capital acquisitions contrary to the Joint Venture agreement. In addition, I noted that the Integrated Transport Solutions Limited (ITSL) was contracted to manage Human Resource Management, Project Management and strategic communication support however, it was also involved in the acquisition of capital assets such as computers, furniture etc. for the project, which was outside their contractual scope.

Contracting a third party outside the Joint Venture casts doubt on the capacity of M/S Veridos and could result in a contractual breach, affecting the project's intended objectives. This also impedes proper contract management.

b) Gaps in Asset Management

I noted the that;

- Of the 807 items recorded in the USPC/UDLS asset register,165 items did not have their unit prices and acquisition dates captured despite the items being in existence.
- Physical inspection and verification established that the enrolment van valued at UGX.529,073,801 could not be accessed since it was purportedly still with M/S Technology Associates which was contracted outside the Joint Venture.
- Four enrollment kits (Laxlon mobile case with enrolment) valued at UGX.144 Mn are still housed at URC UDLS headquarters due to delayed operationalisation of the enrollment van.
- A number of assets were obsolete and unfit for use by the time they were handed over.
- Although three project motor vehicles had been passed over to the MoWT, with registration numbers UAT 377W, UAT 829P and UAU 921T in the makes of Prado Golden, Premio grey and Premio silver white, I noted that the transfer process of these vehicles to the Ministry had not been completed by the time of the audit.

In light of the above, I could not confirm the accuracy of the asset register, assets inherited from Face Technologies and those procured by the Joint Venture reported in the asset register.

Management indicated that it was committed by 31st August 2022 to transfer all the project assets to the names of USPC and mainstream all subcontracts in relation to the main Contract between USPC and MoWT.

I await the outcome of management's efforts towards streamlining their asset management.

iii. <u>Lack of interface with critical systems</u>

UDLS lacked automated interfaces with key systems such as the Police Verification System (PVS) used to issue and verify certificates of competence (CoC) and the Refugees Management Information System (RIMS) operated by the Office of the Prime (OPM) for Refugee biodata verification to enable refugees to possess Driving Licenses.

As a result, I established that CoC from the Inspector of Vehicles is manually captured. This exposed the entity to risk of errors in critical government data and irregularities associated with human interventions and incomplete information.

Management acknowledged that it is true that UDLS is not yet linked to the Police system and the Refugees Management Information System (RIMS) of OPM, however, it was a work in progress.

I advised Management to ensure that the UDLS is integrated with appropriate key Government systems after consultation with key stakeholders.

iv. <u>IT risk management framework.</u>

I reviewed the UDLS risk management practices in line with the best practices and I noted that the entity had no IT risk management framework and as a result, there was no proactive management of IT Risk.

Given the dynamic nature of the IT environment, risks emerge continuously, and some may culminate into disastrous outcomes if left unchecked.

Management indicated that UDLS had no risk assessment management framework. The Ministry will engage USPC to develop the RISK Management Plan for the project.

I advised Management to consider establishing a robust IT Risk Management framework to form the basis for continuous risk assessment and risk response.

v. <u>Lack of Internal Audit Reviews</u>

I examined the project control environment and noted that the entity did not have an Internal Audit unit in its organogram. In the absence of an Internal Audit, internal systems audits were not conducted. This may hinder timely detection and correction of errors and identification of risks.

Management explained that USPC had no internal audit function; the Ministry would engage USPC to establish the internal audit function in order to minimise the risks.

I advised Management to work with those charged with governance at MoWT to ensure that an internal audit function is established and that it is properly equipped with the necessary tools to enable it get fully involved in the review of the information systems.

vi. <u>IT Continuity Plans/Disaster Recovery Plan</u>

Best practice requires and ICT project to have a BCP/DRP. At the time of the audit, USPC had not developed an IT continuity plan to reduce the impact of a significant disruption on key business functions and processes in case of disaster. This could lead to major disruptions in the business, including loss of revenue in an event that risks materialise.

Management acknowledged that there was no documented IT Disaster Recovery Plan. However, there was a Data Recovery Centre installed with a fireproof door, fire detection & suppression system with real time duplication of the UDLS database with a Recovery Point Objective of 5 minutes.

Management committed to engage USPC to document the measures in place into an IT Disaster Recovery Plan.
I advised Management to implement a formal IT continuity and disaster recovery strategy to ensure that IT continues to serve the business in whatever circumstances.

vii. <u>Overlapping/conflicting roles</u>

A review of the system user roles and responsibilities revealed that some system users at UDLS hold conflicting roles for instance: some users had administrative access to both application and databases; programmers had access to system production environments, and some support staff had privileges to print learners' permits.

All these violations put the entity at a high risk of undetected misuse of user rights and potential loss of revenue.

Management committed to engage USPC to implement the recommended actions.

I advised Management to ensure that the roles of administrators, programmers, and users are adequately segregated as recommended by best practice.

viii. <u>Absence of IT Security Policy/Plan</u>

A review of the IT governance practices at UDLS revealed that the entity did not have an approved Information Security Policy contrary to the industry best practice.

This implies that management has not streamlined their security management requirements and practices and hence the potential impact of IT security incidents is very high.

Management committed to engage USPC to develop an IT Security Plan for the project in line with the Ministry's IT Policy that is currently being developed.

I advised Management to develop an IT security policy/plan in consultation with other stakeholders and in compliance with the industry standards.

ix. System unavailability on Saturdays

Whereas the UDLS is expected to provide services from Monday to Saturday, I noted instances of system downtime, especially on Saturdays thus denying services to clients.

System downtime affects service delivery to clients and hampers the envisaged benefits of the system availability.

Management acknowledged the concern and stated that the occurrences were as a result of unstable internet bandwidth. Further, management indicated that the Ministry was engaging NIRA to provide a redundant data line for backup in case of service breakdown.

I advised Management to ensure system availability in a bid to extend services to citizens as envisaged.

4.3. HIGHLIGHTS OF VALUE FOR MONEY AUDIT RESULTS

4.3.1. Government of Uganda's Efforts to Eliminate Intimate Partner Violence Against Women in Line with the Nationally Agreed Target Linked to SDG 5.2

In September 2015, the Government of Uganda committed to the 2030 Agenda for Sustainable Development, one of whose targets (Target 5.2.1) aims at eliminating all forms of violence against all women and girls in the public and private spheres, including Intimate Partner Violence against Women (EIPVW).

Uganda recorded a decrease in intimate partner violanece between from 60% to 56% in the years between 2011 and 2016. This is however higher than the global average of 35%. There was a reported 30% increase in violence aganainst women and girls since the outbreak of COVID-19. The police crime report 2019/20 indicated a 29% rise in domestic violence cases from 13,693 to 17,664 between 2019 to 2020.

It is from the above background that I conducted an audit whose overall objective was to assess Government of Uganda's efforts to eliminate Intimate Partner Violence against women in line with the nationally agreed target linked to SDG 5.2.

The following observations were made:

- A general increase in Intimate Partner Violence (IPV) in 2021 compared to 2016 regardless of the level of education attained, age group, or sub region. Sexual and psychological violence rose by 11% and 7% respectively, while physical violence reduced by 1% over the same period. The rise was linked to the COVID-19 restrictions that increased exposure of victims and limited access to prevention and response services for GBV.

- The higher the level of education of women and girls, the lower the level of IPV experienced/reported, in both 2016 and 2020. For instance, in 2020, only 19.4% of women who studied beyond secondary school level reported physical or sexual violence perpetrated by an intimate partner in the previous 12 months, compared to 38.3% of the women and girls who never obtained formal education.

- Acholi sub-region had the highest prevalence of IPVW (64.9%), followed by Bukedi (60.3%) and Karamoja (49.9%) sub regions. Five sub-regions in the Central, western and south western (Ankole, Tooro, Bunyoro, Busoga and South Central) registered a decline in cases of physical and /or sexual violence against women and girls between 2016 and 2020, while the other ten sub-regions registered increased incidents. South Central sub-region recorded the highest decline in reported IPVW cases- from 24.2% in 2016 to 15% in 2020, a reduction of 9.2 percentage points.

- Uganda generally has in place a coherent legal, policy and institutional framework at national level (and partially at local government level) to combat GBV/ IPV, although some critical legislation addressing aspects of IPVW are not yet complete. These include the Sexual Offences Bill, Legal Aid Bill and Policy and the review of the Domestic Violence Act and Regulations, 2010.

- That whereas the National Action Plan for Elimination of GBV (2016 - 2021) sought a budget of UGX 89.67 billion to facilitate implementation of all identified interventions for eliminating all forms of GBV over the five-year period, only UGX 10 billion was mobilised. 90% (UGX 9 billion) of this financing came through donor financing thereby raising a sustainability challenge.

- That staffing for officers responsible for GBV interventions in local governments stood at an average of 40% for the twelve districts visited. The low number of staff involved in GBV interventions in the districts is aggravated by the fact that these few officers are also central to coordination, development, implementation of culture and community-based services, programmes and projects in the district and urban councils thus limiting the time allocated to GBV issues in the districts.
- Only 18 (with 20 shelters) of the 135 districts countrywide had shelters with a combined capacity of 280 GBV victims. However, MoGLSD did not have a budget provision for the day to day running of these shelters and at the time of audit, they were all run by NGOs financed by development partners. This deprives GBV victims in the remaining 117 districts of shelter services or makes it costly for them to access the shelters. For instance, some sub-regions that recorded a high prevalence of IPV cases amongst women and girls in 2020- such as Kigezi (38.8%) and Lango (34.6%) - did not have any shelters.

- Although UBOS, in collaboration with MoGLSD, developed and localized the indicators for measuring progress on intimate partner violence, and included them in the National Statistical Indicator Framework (NSI) update of 2018, the framework does not provide periodic targets against which progress can be measured prior to 2030.

- There was limited enrolment of districts onto the National GBV database (only 94 out of 135), and limited utilisation of the database by the districts enrolled (20% in 2019, and 57% in 2021). There is also no interface between Police records and the HMIS. This leads to shortcomings in data sharing between different actors to whom IPV cases are reported.

I advised the Accounting Officer of Ministry of Gender Labour and Social development (MOGLSD) to;

- ✓ Investigate the major causes of the IPV prevalence rates in the different regions of the country to ensure targeted and specific interventions are made to address the vice.

- ✓ Prioritise the review, development and/or update of the pending legal, policy and institutional frameworks aimed at EIPVW and more actively engage key stakeholders in the development of EIPVW policies and legislation including victims of IPV, local governments and religious/ cultural institutions to ensure that all views are considered and the needs of those most vulnerable to IPV are addressed.

- ✓ Collaborate with MoFPED to mobilise funds necessary to operationalise the institutional arrangements stipulated in the National Action Plan for Elimination of GBV for effective coordination and implementation of IPV interventions.

- ✓ Liaise with MoFPED and NPA to provide a specified budget code for GBV interventions in the budget framework papers for all responsible MDAs and LGs. This forms a basis of lobbying for GBV interventions in the budgeting process and also facilitates identification of groups vulnerable to GBV for special consideration.

- ✓ Engage all IPV/GBV partner agencies and LGs to recruit or appoint and train IPV/GBV responsible persons and in collaboration with relevant partners lay out detailed strategies for protection and rehabilitation of the victims of IPV through establishment of shelters providing resources for their routine operations.

Conclusion

Although the Government of Uganda committed to eliminate Intimate Partner Violence against women and girls by 2030 (SDG Target 5.2.1), the audit noted an increase in incidences of IPVW in 2020 as compared to 2016, presenting a risk that Uganda will not meet the aforementioned SDG target unless deliberate interventions are implemented to address the gaps noted in this report. Achievement of tangible progress towards elimination of IPVW by 2030 will require multi-stakeholder engagement and adoption of a whole-of-government approach to ensure no one is left behind.

4.3.2. Audit on the Management of Emergency Medical Services (EMS) in Uganda by Ministry of Health (MOH)

An Emergency Medical Service (EMS) system organizes all aspects of urgent care provided to patients in the pre-hospital or out-of-hospital environment. EMS is critical to the improvement of outcomes in patients with obstetric and medical emergencies and severe injuries and other serious time sensitive illnesses.

The Ministry of Health set up a department of Emergency Medical Services to manage the provision of emergency services through a system of out of hospital (On scene acute medical care and during transportation of patients) and care on arrival at the health facility.

This audit was instituted following public outcry arising from delayed/ inadequate response to emergencies in the country, a high proportion of seriously injured causalities in need of emergency services. This was informed by the Uganda police annual crime reports and the COVID-19 epidemic cases that tested the health services' preparedness to handle medical emergencies. I noted that the sector faced challenges in responding to emergencies across the country.

The objective of the audit was to assess the efforts of the Ministry of Health in ensuring provision of quality emergency care services in the country.

Although there are notable achievements, for instance: development of the EMS Policy 2021; EMS Strategy 2020/21-2024/25 and EMS norms and standards for ambulances as key legislations; and development of 12 indicators to track EMS delivery in the country which are existent in the DHIS 2 platform and setting up and operationalization of two regional call and dispatch centres at Naguru and Masaka Regional Referral Hospitals (RRHs) audit noted the following areas for improvement.

Inspite of the above achievement, the following were observed;

- MoH had not developed 75% (15 out of 20) of key legislations as stipulated in the WHO framework at different EMS levels, at the time of the audit. The undeveloped legislation include; the Bystander protection legislation and the EMS Act to enable the government to enforce desirable EMS practices among others. I also noted that the EMS Policy, Strategy, norms and standards of ambulances were not widely disseminated to the people in communities and staff in the EMS units who are the implementers and providers of EMS services.

- Twelve (12) out of the fourteen (14) regional call and dispatch centres representing 86% supposed to be set up and operationalized by MoH had not been set up by the time of the report. The ministry had not operationalized the universal medical access or toll free number/ three (3) digit code for access of emergency medical services by patients and health facilities.

- MoH had no comprehensive database for existing ambulances. Mismatches were observed in the actual numbers of ambulances attached to some of the facilities compared with those of the ambulance census report.

- the undesirable 178 type A government ambulances had not been phased out by the intended deadline of end of the FY 2020/2021. Procurement of ambulances was neither planned nor included in the EMS departmental budgets for the period under review.

- None of the procured 12 boat ambulances were allocated or deployed to any of the island districts as planned but left idle at the Entebbe marine base for over a year, defeating the objective of securing these ambulances and undermining the value for money of USD1,870,714 and UGX 1,347,480,000 spent on procurement of these boat ambulances.

- Seventy-Five per cent (75%) of the ambulances, subjected to the checklist tool to assess the minimum equipment and supplies stipulated in the National operating guidelines and standards for ambulances, lacked all the required minimum basic life support equipment and supplies. In effect they only act as transport vehicles.

- Sixteen (16) out of eighteen (18), representing 89% of the visited health facilities had no fully dedicated personnel in their emergency units to manage emergency cases yet visited Health Centres IVS, on average, receive 2-5 emergency cases a day while general hospitals receive 10-30 emergency cases a day on average.

- MoH had not reviewed the Uganda National Minimum Health Care package to prioritize emergency care at Health facility level and in the pre-hospital phase. None of the visited health facilities/hospitals across all levels were aware of the standard essential emergency medicine and supplies list to guide the planning and placing emergency medicine orders to NMS. Facilities/hospitals instead utilised the general Essential medicines and health supplies list to place orders to the NMS.

I advised the Accounting Officer to address the identified challenges through;

- ✓ Prioritise, plan and budget for development of the relevant legislations and laws for management of EMS in its annual operational plans

- ✓ Develop, disseminate and institutionalise standard emergency medical equipment lists for basic life support equipment necessary at the different levels of health care and prioritise their procurement for the emergency units across the different health facilities.

- ✓ Prioritise the development and specification of an emergency medicines and supplies list and incorporate it into the Uganda Essential medicines and Health supplies list.

- ✓ Engage Uganda Communication Commission and Telecom companies to prioritise the operationalization of the standard national three-digit toll free number for the management of EMS cases. Set up and operationalize the national and all regional call centres

- ✓ Government through MoH should prioritise procurement of Type B and Type C ambulances in its annual budgets and operational plans in order to increase their accessibility to the public as well as fostering delivery of quality EMS care during transportation of patients

- ✓ MoH should maintain an up-to-date database of ambulances in the country to ease their monitoring and maintenance.

- ✓ MoH, in consultation with the different role players specified in the MoU, should expedite the allocation delivery and deployment of Boat Ambulances to the envisaged districts

- ✓ The Ministry of Health in liaison with the Ministry of Public Service and Health Service Commission should prioritise the approval of a designated EMS staff structure to allow recruitment and filling of the HR existing gaps at all levels of health care.

- ✓ Fast track the establishment of the multi-stakeholder coordination committee and implement the Public Private Partnership Health strategies to ease provision of quality EMS across the country.

Conclusion

In order to facilitate the efficient delivery of emergency medical services in the country, the Ministry of Health through the EMS department was meant to develop appropriate legislations for EMS, institute desirable stakeholder coordination arrangements, ensure availability of emergency medical equipment, medicines and supplies in established emergency units across the country, establish and operationalize national and regional call and dispatch centres, train health care providers in EMS practices, procure desirable ambulances and undertake monitoring and evaluation of EMS delivery in the country. The findings reveal weaknesses at every level of what should be a critical component in the health care system. The desirable strategies are still hampered by weak EMS M&E systems and inadequate coordination and institutional arrangements for delivery of EMS in the country.

4.3.3. Implementation of Small-Mini-Independent Power Producers Under the Getfit Scheme in Uganda

The Energy sector was liberalized following cabinet approval of the Power Sector Reforms and Privatization Strategy (PSRPS) in 1999. The Electricity Regulatory Authority (ERA) was established to regulate the Electricity sub-sector while the Ministry of Energy and Mineral Development (MEMD) is charged with Policy Formulation. In an attempt to stimulate private investment in small-scale renewable energy projects, ERA adopted a Renewable Energy Feed-in Tariff (REFiT) phase II scheme in 2012. However, the scheme did not attract the needed investment as the proposed tariff levels were widely viewed by investors as insufficient for new projects and high financing and project development costs made small-scale power projects unviable, even as the demand for power kept growing.

To respond to the challenges for the small-scale projects, ERA and the German Development Bank (KfW), developed and implemented the Global Energy Transfer (GET FiT) Program in 2012.

The main objective of the GET FiT Program was to assist African nations in pursuing a climate resilient. Low carbon development path resulting in growth, poverty reduction and climate change mitigation. Roll-out of the program started in 2013 in Uganda. The program, was jointly developed by the Government of Uganda, the Uganda Electricity Regulatory Authority (ERA) and the German Development Bank, Kreditanstalt für Wiederaufbau (KfW), was designed to leverage private investment into renewable energy generation projects in Uganda.

GET FiT was being supported by the Governments of Norway, the United Kingdom, and Germany and the European Union (EU) through the EU Africa Infrastructure Fund, as well as the World Bank through their IDA Partial Risk Guarantee (PRG) instrument. By 2020, 17 small power plants had been developed under the scheme, with over UGX100m in grants.

In light of the foregoing justification, I instituted this audit with the overall objective of the to evaluate the performance of small/mini IPPs and examine mechanisms instituted by ERA to ensure that they generate affordable, accessible, reliable and environmentally friendly electricity in Uganda.

The audit made the following observations;

- There was lack of competition during procurement of IPPs to the extent that 15 out of the 17 sampled small/mini hydro power plants, which commenced construction and were commissioned after the enactment of the PPP Act 2015 and PPP regulations 2016, were not subjected to any competition before securing the sites. Only the two (2) sampled solar plants (Tororo and Soroti) were secured through a competitive process. Audit could not confirm whether value for money had been achieved by the selected firms.

- In 2018, 20% of the planned energy generation from GET FiT projects was not delivered to the grid due to missing or inadequate grid infrastructure. Similarly, in 2019 and 2020; 23% and 25% of the energy generation from GET FiT power plants respectively failed to reach the national grid due to grid availability issues. This resulted into deemed (unutilised) energy claims amounting to USD10,955,149 as of June 2020. So far Government of Uganda has paid US$ 3,605,267 on deemed energy comprising US$ 668,186 and US$ 2,937,081 for the FYs 2018/2019 & 2019/2020 respectively due to pay or take contractual clauses in the Power Purchase Agreements (PPAs). Deemed energy charged through the tariff negatively impacts on consumers prices, which is a hindrance to electricity demand, thus slowing economic growth.

- The Government of Uganda undertook both GET FiT and REFiT II program interventions in the electricity sub-sector; However, different small/mini plants were offered different tariffs and plants with low planned installed capacity attracted a high tariff compared to those with relatively high installed capacity. There were no uniform criteria used for the tariff offers, this can lead to subjectivity and hence collusion.

- Seven (7) out of the fourteen (14) operational GET FIT small/mini power plants delayed signing Power Purchase Agreements (PPAs) ranging between 3 months to 4 years. Accordingly, of the 17 GETFIT small/mini power plants, 14 had been commissioned and were operational by the year 2020, while the 3 were still under construction as they faced challenges. Also, only 5 out of the 14 operational power plants namely; Kakira Muvumbe SHP, Nkusi SHP, Rwimi SHP and Tororo solar power plant achieved their annual planned generation in the year 2020. Three (3) plants namely; Rwimi SHP, Lubilia SHP, and Nkusi SHP were below the required plant availability that is 92%, 86% and 92% in 2020. This delays the intended benefits of the scheme.

- An MOU signed between ERA and NEMA, dated 21st July 2016, required ERA and NEMA to undertake joint inspections of projects and activities to ensure compliance with applicable laws and regulations. For all the inspections undertaken by ERA for the last 3 years, there was no evidence of NEMA involvement. Whereas ERA identified and reported a number of environmental concerns during their annual compliance audits, there was no evidence of sharing such findings with NEMA for appropriate action as provided for by the MOU.

I advised the Chief Executive Officer of ERA to:

- ✓ Ensure for future projects, sites for the small/mini power plant are competitively secured by potential developers to enhance economic and social-economic benefits from these projects.

- ✓ Engage key stakeholders as MEMD, UEDCL, and UETCL to improve network availability and efficiency through establishment of dedicated evacuation lines as a way of mitigating grid failure. The upgrades of substations and evacuation lines should be timely undertaken and maintained to avoid unnecessary deemed energy claims.

- ✓ Ensure that the licensing procedures for IPPs are streamlined to ensure equitable licensing periods offered to all license applicants. In addition, full operationalization of the coordination with sister agencies that have MoUs with ERA like NEMA and DWRM should be prioritized to facilitate timely licensing processes, monitoring and followup.

- ✓ Consider subsidizing the final consumer tariffs so as to grow the electricity connectivity specifically in rural areas if the GET FiT program is to realize its intended objectives of securing energy supply at relatively affordable cost.

Conclusion

Since the inception of the GeTFiT programme in 2013, an amount of 122MW of power had been added to the generation mix by the beneficiaries of the scheme by 2020 with 14 out of 17 plants commissioned. Despite the availability of such capacity, a significant amount of that production was lost due to lack of transmission and distribution lines to evacuate the power. There were also noted lower plant availability rates due to internal outages and low fuel availability. As such government continues to pay deemed costs for such unevaluated power.

As such the tariff charged is not cost reflective and is still high compared to the region. Because of the above, the envisaged increase in number of rural electricity accessibility has not been achieved. The objective of low carbon development, poverty reduction and climate change mitigation may not be achieved in the planned period.

The timely implementation of new power evacuation infrastructure and upgrading of the existing grid will go a long way in ensure the objectives of the Scheme are achieved.

4.3.4. Promotion of Safe and Sustainable Management of Electronic Waste in Uganda by the Ministry of Information and Communication Technology and National Guidance

Uganda, just like the rest of the world, is contending with the increased demand for Electronic and Electric Equipment (EEE) products and high technology replacement rates which together, have contributed to the emergence of e-waste as the fastest growing waste stream on earth. Whereas the Government of Uganda has expressed commitment to promoting, among other things, sound management of hazardous chemicals and e-waste, through enactment of an E-waste Policy (2012) and E-waste Strategy (2013), there is scanty up-to-date information on the quantities and types of waste generated in Uganda, and this limits the effectiveness of any planned interventions.

In light of the foregoing justification, I instituted this audit with the overall objective of establishing the quantities of e-waste in Uganda and assess the measures put in place by the Ministry of Information, Communications Technology and National Guidance to promote safe and sustainable management of electronic waste in Uganda.

a) The quantities of electronic waste in Uganda have been increasing exponentially over the last 20 years, and this trend is likely to continue if appropriate interventions are not undertaken. From 2001 to 2020, about 1.3 million tonnes of e-waste were generated in Uganda, with only three (3) dominant categories, namely: screens, monitors and equipment containing screens; large equipment (excluding photovoltaic panels); and temperature exchange equipment accounting for nearly 83% of this waste. However, the most dominant categories of e-waste have kept changing over the years.

b) I noted that the strategy for implementation of E-Waste 2013-2018 had 8 strategic objectives with a total of 84 performance indicators. Out of the 84 indicators, only 3 indicators were fully implemented (4%), 7 indicators were partially implemented (8%) and 74 were not implemented (88%). I further examined the implementation of the strategy and noted the following;

- Although NEMA had incorporated e-waste related issues into the National Environment Act, 2019 and the National Waste Management Regulations, 2020, review of the E-waste Policy by MoICT&NG was still on-going, over five years after its expected completion date (2016).This has delayed alignment of government interventions to keep abreast with the rapid changes in technological innovation, evolution of the nature and patterns of e-waste, and best practices in e-waste management.

- MoICT&NG did not conduct comprehensive baseline surveys, mainly due to a failure by the e-waste management strategy to clearly define the purpose and scope of a baseline study. Absence of detailed baseline studies resulted in inadequate interventions and lack of coherence in management and reporting on e-waste, evidenced by acutely inadequate targets for e-waste collection and management, absence of any clear basis or strategy for e-waste prioritisation and contradictions in values of e-waste computed by various MDAs.

- For most of the audit period, no company or individual had been licensed to handle electronic waste. As such, most government entities kept their waste on site, while others used unlicensed handlers to dispose of it. In November 2021, however, three firms were licenced by NEMA to transport e-waste and an e-waste collection and management facility set up by the National Enterprise Corporation in Bugolobi. Nonetheless, most entities and stakeholders remained unaware that licensed e-waste handlers/facilities were now available for use.

c) I noted that, apart from the Atomic Energy Council (AEC) and Uganda Communication Commission which made efforts to guide their stakeholders on disposal mechanisms for radiation-emitting equipment and telecommunication towers/masts, like take-back or extraction and storage of radioactive component(s) of broken-down equipment, there was no indication of what other Ministries, Departments and Agencies (MDAs) and local governments did to guide on- or enforce compliance with- proper e-waste management practices for equipment under their dockets.

d) UNBS had not developed adequate standards and testing capacity for all Electronic and Electric Equipment entering the country yet imports contribute almost 99% of EEE Put on the Uganda Market. Various potentially hazardous electronic and electronic equipment had thus been imported in the country without testing and could ultimately affect people's health

I advised the Accounting Officer of the Ministry of Information and Communication Technology and National Guidance (MoICT& NG) to;

- ✓ In collaboration with key stakeholders develop mechanisms to project and establish quantities and composition of e-waste and categories of e-waste handlers to aid medium and long-term planning for proper management.

- ✓ During the anticipated review/ revision of the e-waste strategy, consult and/or involve all key stakeholders to ensure ownership of its implementation. In the interim, MoICT&NG should engage MoFPED, MoES and other stakeholders to ensure funding of e-waste activities and mainstreaming of e-waste management in curricula during the next curriculum reviews.

- ✓ Engage NEMA to expedite licensing of e-waste handlers and formulation of e-waste management procedures to enhance regulation, identify and engage private actors to set up other waste management centres (PPPs) as envisioned in the National e-waste Strategy.

- ✓ Engage UNBS to ensure development of adequate standards and testing capacity for all Electronic and Electric Equipment entering the country

Conclusion

The quantity of E-waste in Uganda has increased exponentially over the last 20 years, with the dominant categories of this waste evolving during the same period. In spite of this reality, the E-waste Management Policy and Strategy, developed over 9 years ago to ensure safe and sustainable management of E-waste, remain largely unimplemented, and neither have they been revised to adequately deal with the current scale of this challenge.

The budget for implementation of the e-waste strategy was only financed to a tune of 14%; there was limited enforcement of e-waste management practices, recourse to unlicensed e-waste management companies and handlers, and inadequate testing of EEE at importation.

Limited implementation of the E-waste strategy was mostly attributed to failure by MoICT&NG to take the lead in its implementation by prioritising funding for the activities assigned to the Ministry, lack of coordination and engagement of all other key players to fulfil their roles. These deficiencies expose people and ecosystems to the potential health and contamination risks associated with e-waste. It is hoped that implementation of the proposed audit recommendations will contribute significantly to improved management of e-waste in Uganda.

4.3.5. Effectiveness of Mechanisms Established for Management of Road Equipment by the Ministry of Works and Transport

The maintenance of roads in Uganda is currently implemented through the force account mechanism. This requires government agencies to make use of their available man power and equipment in the maintenance of the road network, instead of the lengthy and usually expensive contracting to private firms. To operationalize this mechanism, the Government of Uganda spent a sum of **UGX.887Bn** between 2012 and 2020 on the acquisition, distribution, training, maintenance and monitoring of its road maintenance fleet. This equipment was distributed to local governments across the country.

The initiative has faced challenges in its implementation such as complaints of obsolete equipment with high breakdown rates, delays in repair of equipment at the mechanical workshops and inadequate inventory of equipment to cover the various road maintenance interventions. There are increasing complaints and evidence of deteriorating road conditions in the country.

The Overall objective of the audit was to assess the mechanisms established by the Ministry of Works and Transport (MoWT) for management and utilisation of road equipment.

- I noted that in the period of assessment, from 2017/18 to 2019/20, the road maintenance backlog had increased from 42,248KMs at the start for the period to 69,016KMs at the end of the period representing an increase of 37.6% in spite of the government interventions in form of road equipment and funds through Uganda Road Fund.

- From 2012 to 2020 Government of Uganda acquired a total of 1,843 pieces of road maintenance equipment which were all distributed to the intended beneficiaries. I however noted that, of this only 1,151 (62%) pieces were in working condition, 645 (35%) pieces grounded though in serviceable state and 47 (3%) broken down and due for disposal. This further explains the increased backlogs in maintenance and deteriorating road conditions

- In regard to shared zonal equipment, audit established that out of the 1,843 equipment, fifty seven (57) specialised heavy equipment were distributed to 4 MoWT Zonal Centres which serve 135 districts and MDAs directly carrying out road maintenance works. This was insufficient in quantity. In addition, MoWT only acquired 9 low beds to aid the movement of heavy equipment between different sites. This number was not sufficient to serve the LGs who equally did not have low beds of their own. This led to long lead times (average of one year) for mobilisation of equipment and subsequently resulting in delays for road maintenance activities

- In regard to repair of road equipment, for a sample of 30 LGs, I established that equipment that underwent major repairs at the regional workshops on average spent a period of 3.25 months in the workshops, additionally two (2) (Gulu and Mbarara) of the four Regional mechanical workshops lacked sheltered work floor space and work tools to efficiently repair and service the equipment under their care. That further explains the delays to repair and service the equipment. This leads to delays in provision of the needed maintenance services.

I advised the Accounting Officer of Ministry of Works and Transport to;

- ✓ Ensure that a needs assessment is undertaken prior to implementing such countrywide programs. In the event of limited funding, management should also explore the option of piloting such programs in fewer districts for effectiveness.

- ✓ Expedite the development of the MIS systems such that information relating to the distribution of shared equipment can be seamlessly captured to streamline the scheduling, distribution, operation and movement of equipment. The Information system will also ensure that all repair requests are well documented and communicated and strict pre repair inspection carried out so that the defects have been promptly reported.

- ✓ Continue to negotiate with MoFPED to ensure that the necessary funding is availed to facilitate the retooling process and ensure availability of safe sheltered working areas for the Regional Mechanical Workshops (RMWs) staff.

Conclusion

The increase in the road maintenance backlog was attributed to ineffective implementation of the equipment management mechanisms by both the MoWT and the respective agencies in the Works sector. There were noted incidences of lack of needs assessment hence inadequate equipment, rampant breakdowns, lack of training of operators, delays in repairs and lack of monitoring by MoWT.

If the overall objective of management of road equipment is to be achieved, the MoWT will have to ensure that the mechanisms relating to distribution, training, maintenance, utilization and monitoring of the equipment usage are fully implemented.

4.3.6. A Value for Money Audit Report on the Regulation and Promotion of Safe and Reliable Public Road Transport System by The Ministry of Works and Transport

The Dominance of road transport as a mode of transportation in Uganda accounts for more than 90 percent of passenger transit and cargo freight. Even though public road transport is the most popular method of transportation, the Public Transport Industry has a number of obstacles: only buses are fully regulated, Public Service Vehicles (PSVs) services are not timetabled or integrated, and PSVs are typically in Dangerous Mechanical Conditions (DMCs). . The situation is made worse by the usage of uncontrolled commercial motorcycles (Boda bodas) that breach traffic regulations the absence of implementation of institutional and regulatory procedures for enhancing public transportation.

Taxis, Minibuses, and Commercial Motorcycles operate off-route and will stop wherever a passenger desires to board or exit. According to Uganda's yearly crime statistics (2017-2021), there were a total of 74,977 victims of traffic accidents, the bulk of which were caused by Careless or Reckless Driving and Dangerous Mechanical Conditions.

In light of the above, the Office of the Auditor General conducted a Value for Money audit to assess Government of Uganda’s efforts in Regulation and Promotion of a Safe and Reliable Public road transport system in Uganda through the Ministry of Works and Transport (MoWT). Below is a summary of the Key findings which details are in Chapter Four of this report.

Although the Department of Transport Regulation and Safety, of the Ministry of Works and Transport, has been recognized for notable accomplishments in the promotion of a reliable and safe public transport system, such as the significant improvement (from 5 working days in 1990 to 20 Minutes in 2022) in the time between applying for and receiving a driver's license, the following key areas of improvement were identified:

- Field inspections established that majority of Public Service Vehicles (PSV) were in operation but not registered in the Ministry’s database. Although the data records at the Ministry show that they have licensed, on average, 28,000 PSVs per annum during the last 5 years, data obtained from the PSV owners’ associations indicate that, as of November 2022, the registered member PSVs were 749,600. Furthermore, the Ministry's register lacked information such as Licensed Stages, Licensed Routes of Operation, and Time Schedules, which may have contributed to the efficient operation of public transportation.

- 139 (70%) out of the randomly sampled 200 PSVs did not possess Valid PSV licenses that would allow them to operate Public transport business. The largest numbers without licences are the boda bodas (95%). As a result, vehicles are used for public transport without validation checks for their road worthiness. In addition Government of Uganda loses UGX29.5 Billion annually in Non-Tax revenue due to non-licensed PSVs operating in the country.

- I noted that only 5.73% (140,577 out of the required 2,455,363) PSV inspections were undertaken by the Ministry of Works and Transport during the period under review. The lack of PSV inspections was more prevalent in the Commercial Motor Cycle category and Taxis. This was caused by lack of personnel and the required equipment to conduct PSV inspections across the country and the delayed implementation of the SGS Automotive Services Uganda contract. The Public is thus exposed to risks of vehicles in poor mechanical conditions.

- I noted for the few inspections that were carried out by the Ministry, these were conducted with the use of observation. MoWT lacks the facilities, key equipment such as; Screen Type headlight tester/ Light intensity tester, Speedometer tester, Break speed combination Tester, Digital Tyre tread depth gauge among others. The absence of quality inspections does not guarantee the roadworthiness of PSVs examined.

- I noted that 34% (77 out of 226) of the inspected driving schools were operating without valid operating licenses issued by the Ministry of Works and Transport. As a result, the Ministry doesn't have a complete list of all driving schools in the country both Licensed and unlicensed. The public is thus undertaking lessons in schools without guaranteed quality and standards. In addition, from the sample, the Government of Uganda loses UGX 35.4 million shillings every year due to unlicensed driving schools operating in the country.

- I noted that Majority driving school owners did not poses and were not using the approved driver learner training materials issued by the Ministry. Many used self-developed materials while others used class B training materials to train drivers for other classes like CI, DI, CE and others. As a result, driving schools in Uganda continue to utilize non-standardized training materials, resulting in non-standardized competence of drivers on the road, which is one of the contributors to the country's high rate of road accidents.

- I noted that the Inspector of Vehicle (IOV) centres are not monitored by the Ministry as is required by the regulations. There was no proof of evidence of receipt of IOV's monthly learner driver test reports during the past five years and no documentation proof of formal correspondence between the MoWT and IOV demanding the same. This has led to a lack of certainty regarding whether the IOV tests students who have genuinely received training in driving schools and whether these student drivers have received training from licensed driving schools.

- I conducted a System walk through at the Uganda Driver Licensing System (UDLS) railway station offices in Kampala and reviewed that, out of the 6 required documents, 4 documents (competency certificate, medical form, certificate of completion, and proof of enrolment) are not verified before issuance of a driving license.

- I noted that 70% of the sampled applicants, had received training from a non-licensed driving school, while 28 out of 94 applicants, (29.8%), had received training from a licensed driving school. 30% (30 out of 100) had serial numbers of Certificates of Competence that did not match with serial numbers issued at IoV, while 50% (50 out of 100) of applicants had serial numbers that were initially given to someone else, hence fraudulent.

- 71% (67 out of 95) of the 95 applications with attached medical forms were issued by unlicensed medical professionals, while 5% (5 out of 95) were issued by forgers (those using someone else medical registration number). 15% of the participants (14 out of 95) had not written their names and registration numbers legibly. The MoWT has failed to ensure that the issue of driver's licenses adheres to the procedures outlined in all applicable rules. This leads to issuance of licenses to incompetent drivers.

- I noted that Ministry of Works and Transport sensitization plans lacked specific actions in regard to purpose, media type, roles and responsibilities of officials, particular activity budgets, timetables, and operational technique. Audit further established that while the ministry reported in its yearly performance reports to have carried out all planned campaigns, evidence was only provided for six (6) of twelve (12) planned campaigns of the planned campaigns. Failure to sensitize the public contributes to low compliance with PSV licensing terms and conditions.

There is also lack of coordination with the enforcement Agencies like the traffic police to enforce licensing and standards. According to the Police, they stated that they lacked the database of licensed PSV from the Ministry from which they would crosscheck to enforce compliance.

I advised the Accounting Officer of Ministry of Works and Transport to;

- ✓ Develop mechanisms to capture licensed and unlicensed PSVs in Uganda with all of their attributes, process the data, and use it to generate route charts, stages, and timetables.

- ✓ Develop and distribute monthly updated lists of licensed PSVs to enforcement agencies including urban authorities and Uganda Police. MoWT could explore the use of Mobile App to share data with the various Agencies

- ✓ Raise public awareness of the annual PSV requirement.

- ✓ In the short run liaise with the Uganda Police Inspector of Vehicles staff to conduct PSV inspections where it lacks capacity.

- ✓ Expedite discussions and negotiations with SGS to bridge the quality gaps in inspections of PSVs across the country.
- ✓ Undertake a baseline to obtain data and records of all existing driving schools and confirm they have operating licenses, and work with law enforcement to close and prosecute violators.

- ✓ Ensure that all driving schools have approved learner training curricula and continuously review it to ensure its continued relevance.

- ✓ Develop an information management system to record data on all learners who have completed training and are due for examinations to help monitor and supervise IoV centres.

- ✓ Collaborate with enforcement agencies and develop a thorough vetting process and ensure that all PSV drivers are vetted before being licensed to operate a passenger service vehicle.

- ✓ Collaborate with Uganda Medical Council, Uganda Police, and others to verify all drivers' license application documents.

- ✓ Develop internal controls in the UDLS system to verify the validity of all submitted documentation before issuance of driver's license.

- ✓ Appropriately plan and prioritize actions in road safety advocacy and awareness for different players in the Public Service Transport sub-sector so that the sector is better regulated.

Conclusion

Although the Ugandan government has made significant efforts to regulate and promote a safe and reliable public road transportation system by improving the efficiency at which driver's licenses are issued among others, there were numerous gaps noted including unlicensed driving schools PSVs and motor cycles, limited and inadequate annual inspections and lack of enforcement as most drivers drive without permits. These challenges have an effect of contributing towards the increased road accidents in Uganda. To ensure completeness, the Ministry of Works and Transport should ensure that PSV registration, licensing, and inspection are automated and integrated with the various other government databases of URA and Uganda Police. Similarly, the training provided by various driving schools should be consistent and monitored to ensure that standards are met. To ensure compliance with regulations and laws, sensitization and enforcement should be strengthened and coordinated with other agencies and local governments.

4.3.7. Value for Money audit of GRID Extension Projects implemented by the Rural Electrification Agency Currently under the Ministry of Energy and Mineral Development for the period 2009 – 2017

Between 2009 and 2017, REA secured **USD.80Mn** from SIDA, JICA, World Bank, NORAD and the Government of Uganda to implement priority Rural Electrification Projects most of which were part of the sample of projects under review.

The Scope of the audit covered the GRID extension power line projects implemented in the 13 service territories under the various funding programs between the financial years 2013/14 to 2017/18. The GRID Extension power-line projects assessment covered the following;

- Completed Grid Projects Implemented by REA since Financial Year 2013/2014 to 2016/17 when RESP II was being implemented

- Completed UMEME Cost Shared Lines since 2013/2014 and 2014/15.

- Schemes Implemented through Concession Operators

    - Kilembe Mines Ltd
    - Ferdsult Engineering Servcies Ltd
    - Wenrenco
    - UEDCL

- Ongoing Grid Projects under Implementation by REA

- Completed Grid Projects Implemented by REA from (2009-2017) Prioritized by Rural Electrification Agency.

In light of the foregoing, I undertook this Value for Money audit to assess whether construction of Grid extension power lines and associated installations implemented by the Rural Electrification Agency (REA) was undertaken in accordance with recommended technical standards, designs and specifications; assess the quality and functionality of the completed power-lines and associated installations and its impact on the user communities. I made the following observations;

There have been Positive Economic Impacts realized from constructed GRID Lines, for instance;

Urbanization of several trading centres along the power lines constructed, many income-generating activities were initiated by the locals such as maize milling, wielding, salons, juice production thus improving their incomes and way of life and creation of employment opportunities; promoting value addition to the local agricultural products and dairy products; reduction in greenhouse emissions.

Improved investment climate in targeted communities; and increase in government revenue.

However, there are still some performance gaps in operation of rural electrification projects that need to be addressed as summarised below;

- I circularized contractors and noted that, REA owed nine (9) firms for works already completed worth USD.28,080,776.53 and UGX.3,350,908,860.

- Out of the commissioned lines, UMEME attracted and obtained O&M rights for about 25% for township lines. UEDCL obtained about 60% of the O&M rights leaving the 15% to the other operators.

- Audit did not get evidence of any deliberate O&M policies or practices specifically on the preventative maintenance. I was not provided with preventative maintenance plans, nor was there proof of a structured and consistence implementation of basic prudent maintenance practices on the lines.

- Although ERA is mandated to issue license to the operators, review and approve the O&M Budgets as well as regulate the operations of these licensee, audit noted minimal supervision by ERA in line with oversight monitoring and Evaluation.

- Additionally, in terms of the operating and management costs of power lines, they were deemed high due to a number of factors such as transformers, defective or rotten poles which needed replacement in the shortest of time after the commissioning of these lines. For instance, according to UEDCL data for Kabale – Kisoro – Bunagana Scheme, the annual maintenance cost was at 34.7 billion against 518 billion generated revenues. This translates 6.8% of revenue which is above the 5% threshold requirement.

- Several occupation and safety hazards noted during implementation of the GRID power projects. 33kV power lines were constructed to span across roofs of residential houses in Ibanda-Kazo-Rushere power scheme, Mpanga-Kamwenge-Kahungye-Nkingo.

- Audit noted inadequacies in design and construction of GRID power projects; Although normal service conditions and or best practice requires that 33KV extensions should originate from substations (service bays/Bus Bars) audit noted that for most of the projects implemented by REA, MV extensions were tapped from existing feeders implying that the newly implemented MV extension automatically inherits the challenges of the backbone and vice versa. Examples were noted in Kabale-Kisoro, Gulu-Acholibur, Masindi- Waki- Buliisa, Opuyo-Moroto, Ibanda- Kazo- Rushere, Gulu-Adjumani-Moyo.

- Voltage drops were also witnessed during field inspections for all extensions beyond 100km that did not originate from the substation. High voltage drops, below the permissible level can result in increased system maintenance costs, a decrease in the safety and performance of the network as well as reduced expected lifetime of the equipment.

- In line with contractual requirements, wooden poles are expected to last up to 20years. Document review and field inspections noted that poles supplied on some projects as; Masindi- Waki-Buliisa, Ibanda-Kazo-Rushere, Gulu-Acholibur, Kitgum-Palabek, Ayer-Kamdini among others, failed due to rotting, insect Infestation, pole burning and breaking. No document was availed to ascertain that quality control procedures were followed. Furthermore, no effort was recognized from REA that the defective wooden poles are claimed back from the respective pole suppliers.

I have made the following recommendations to the Accounting Officer of Ministry of Energy and Mineral Development (MEMD) which has now inherited the functions of the Rural Electrification Agency (REA) under which the GRID power projects were implemented and recommended that;

- ✓ The outstanding amounts owed to contractor's firms are paid for works that are completed and verified to avoid incurring penalties on delayed payments

- ✓ To continuously address Environmental and social issues in contracts and their implementation and ensure that all contracts for implementation of GRID power projects make it mandatory for the implementation firms to prepare environmental and social impact assessment (ESIA) reports in addition to resultant Environmental Management Plans (EMP) and Resettlement Action Management Plans (RAMPs).

- ✓ Expedite the process of compensating all PAPs taking into consideration the time lag for the delayed payment (9 years since existing assessment was conducted) accordingly, Resettlement Action Plan (RAP) studies should be conducted based on the final designs, where changes are deemed inevitable in the optimal design, such changes should be communicated such that revaluations of new PAPs are conducted.

- ✓ Establish causes of failing wooden poles even after quality tests have been undertaken. The option to use Concrete Poles can also be considered especially given that the quality control during manufacture for concrete poles can easily be monitored and controlled unlike wooden poles whose quality is determined by many factors from the time they are planted, harvested, treated at the factory, and eventually transported to site.

- ✓ MEMD strengthens project management, monitoring and supervision arrangements for GRID power projects to ensure that all GRID projects are implemented within project time lines, indicated in the approved activity work programs and contracts.

- ✓ For Power schemes implemented through concession operators, MEMD ensures that:

  - The licensed firms operating under concession agreements undertake effective operation and maintenance activities in respect of replacing all non-function GRID equipment as blown fuses, surge arrestors, replacing broken poles, faulty transformers to keep the power lines functional
  - MEMD closely monitors and supervises the licensees to establish that they comply with the license terms and conditions and fulfil the objective of increasing access to electricity.

4.3.8. A value for money audit report on management of senior citizens grant by the expanding social protection programme under the Ministry of Gender, Labour and Social Development

The Government of Uganda through the Ministry of Gender Labour and Social Development (MoGLSD) in partnership with the British Department for International Development (DFID) and Irish Aid is implementing the Expanding Social Protection Programme (ESPP) whose aim is to provide cash transfers to the poorest and most vulnerable people in Uganda.

Social Protection is recognized world over as a critical element of national development strategies. The Uganda Vision 2040 envisages a social protection system that includes a universal pension for older persons. In addition, the National Development Plan 2020/21 – 2024/25 highlights social protection as a key strategy for transforming Uganda to a modern and prosperous middle-income country.

In 2021, Uganda’s projected total population was 42,885,900 persons out of which, the proportion of older persons (>60yrs) was 1,715,436 (4%). About 32% (548,940) of all older persons are reported not working and not looking for work.

Over the 4-year period from financial year 2018/2019 to 2021/22, Government with the support from Developing Partners spent UGX.423.68Bn (Government; UGX.274.64Bn and support from Development Partners; UGX.148.68Bn) on the implementation of the senior citizen’s grant.

Despite the significant amount spent on the SAGE programme, a number of challenges continue to affect the delivery of the programme objectives. These include: low numbers of participation by the elderly, delayed payment of grants to the elderly, delayed verification and registration of the elderly and delayed enrolment of the older persons, among others.

It is against this background that the I undertook a Performance audit on the management of the Social Assistance Grant for Empowerment (SAGE). The following key findings and recommendations were noted;

- The programme achieved key success in some areas, whereby all 146 districts in the country were brought on board in the financial year 2019/2020, resulting from the government commitment made in November, 2018.

- By 20th December 2022, 439,131 older persons (262,448 females and 176,673 male) had been paid, of which 128,016 were registered in the national rollout programme.

- Furthermore, the Grant had helped beneficiaries to sustain their livelihoods and access basic needs of life. The bulk of the beneficiaries indicated that they used the Grant to buy food (88.9%), medical care (57.8%), hygiene and livestock, both at (27%).

- For the period under review, out of the 285,778 targeted beneficiaries only 226,195 beneficiaries were verified by PMU, leaving 59,583 beneficiaries unverified due to lack of national IDs and having errors in their birth dates.

- Out of 226,195 beneficiaries verified in the three years under review only 159,282 were registered by PMU leaving 66,913 unregistered.
- Out of 212,711 verified and registered beneficiaries, 4,623 eligible persons of 80 years and above had neither been enrolled nor issued account numbers by the payment service provider. Whereas the PSP was required to communicate to MoGLSD reasons for delays in enrolment of the registered beneficiaries, this was not done, contrary to the service level agreement.

- 9,799 beneficiaries (2,297 persons without National Identity Cards, 2,836 persons with NINs and 4,666 infirm beneficiaries) who were originally with Post Bank Uganda Limited had not been enrolled with CERUDEB

- Comparison of SAGE MIS data with CERUDEB beneficiary data revealed that seven thousand three hundred eighty-four (7,384) out of thirty-two thousand one hundred thirty four (32,134) alternative recipients were registered in SAGE MIS but missing in the CERUDEB data. Similarly, inspection of pay points revealed that the PSP's payment system/software used in the field to make payments does not recognize alternative recipients.

- Beneficiaries were paid quarterly while some would receive their grants after six months contrary to the bi-monthly payments provided for in the implementation guidelines.

- Out of 10 RTSUs, Mbarara RTSU had 4,904 beneficiaries who were issued bank accounts in the period between November 2021 and March 2022 but had not received cash on their accounts at the time of audit in October, 2022.

- In all the 10 districts visited, it was noted that payrolls were not used for roll calling during payment contrary to SCG implementation guidelines, 2019 which require payrolls to be used for confirming beneficiaries due for payment, amounts credited on their accounts for a given payment cycle and as calling lists at the pay point.

- Information of both active and inactive bank accounts provided by the PSP revealed 3,344 inactive bank accounts as at October 2022 with bank balances totalling to UGX.740Mn

I have made the following recommendations:

- ✓ MoGLSD should liaise with NIRA to ensure that all potential beneficiaries get National IDs which is a requirement for them to be targeted.
- ✓ PMU through RTSUs should ensure that verification plans are availed to the districts timely for proper organisation of the verification exercise.
- ✓ PMU should ensure adequate training of district local government stakeholders is carried out to enable proper mobilisation during verification.
- ✓ PMU should develop guidelines on verification of relocated beneficiaries.
- ✓ The PMU is advised to prioritize stakeholder trainings and sensitization so as to impact knowledge and skills on how to mobilize potential beneficiaries.
- ✓ PMU should consider adjusting the 10Km radius by identifying the accessible service centres/points within the reach of the beneficiaries in consultation with the Payment Service Provider, respective Local Governments and the older person's councils.
- ✓ The PMU should enforce the penalty provided in the service level agreement for delays in beneficiary account opening.
- ✓ The PMU should ensure that the PSP uses proper electronic gadgets for capturing the beneficiary bio-data including capture of photos and synchronization of the data.
- ✓ PMU should liaise with NIRA to ensure that all previous Post Bank beneficiaries who are not enrolled with CERUDEB due to lack of national IDs are supported to obtain them.
- ✓ Management should consider amending the implementation guidelines to provide for quarterly payments so that it's in tandem with what is currently being done.
- ✓ PMU should always ensure that the PSP shares updated new accounts for all the beneficiaries for incorporation into the payroll to ensure that they do not miss payments in the subsequent payment cycle.
- ✓ PMU should consider reconciliation of its data with the bank to ascertain the bank accounts which have been opened to guide the generation of payrolls.
- ✓ PMU should ensure that focal points at the pay points access the payrolls on time in order to guide the beneficiaries about their expected benefits.

- ✓ PMU through the local structures should ensure that all deaths that occur before the payments cycles are reported and updated.

- ✓ PMU through the local government structures should ensure that in case of reported death, the next of kin is supported to claim the funds in a timely manner

Conclusion

The program did not target all the eligible elderly persons above 80 years due to among others lack of national IDs or errors in the National IDs resulting in so many Senior citizens missing out from the benefits of the program. The program to a large extent verified and registered most of the targeted beneficiaries; however, more strategies need to be put in place to ensure 100% verification and registration of the targeted groups. There were notable challenges with the enrolment of the beneficiaries due to lack of national IDs and inefficiencies with the bank electronic gadgets that were impeding the registration of some beneficiaries. There were also challenges of data migration from Post bank to CERUDEB and lack of national IDs by alternative recipients and delays in sharing of bank accounts by the PSP with PMU among others affecting payment of the beneficiaries.

Despite the strategies Government has put in place to ensure sustainability of the SCG program, there is need for Government to demonstrate its commitment by clearing the accumulated arrears owed to the senior citizens. The government also needs to strengthen its systems in terms of creating awareness and building capacity of the Local governments so that they can take ownership of the program.

4.3.9. A value for money audit draft report on the management of electricity connections under rural electrification programme (MEMD)

The Government of Uganda established the Electricity Connections Policy (ECP) 2018 -2027 with the primary objective of increasing electricity access and providing clean energy for Ugandans. The ECP is implemented under government's Rural Electrification Programme (REP) in line with the Rural Electrification Strategy and Plan (RESP II) 2013-2022. The goal of the programme is to achieve 26% rural access target by 2022 and 60% level of access to electricity for Uganda by 2027.

The UN's Sustainable Development Goal number 7 has a target to ensure universal access to affordable, reliable and modern energy services by 2030. Uganda's National Development Plan III also requires achievement of electricity national coverage rate of 35% by 2022 and 60% by 2027 in line with the SDGs.

The Government of Uganda has committed significant funding over the past 3 years to the Rural Electrification Programme amounting to UGX.61billion to remedy the electricity access challenges. In addition, development partners have extended USD.34.5million and Euros 27.9million to the programme.

The Programme has faced a number of challenges which include; delays in distribution of ready boards, connections outside the ECP eligibility criteria, low consumer connections compared to planned targets, among others.

It's against this background that I conducted a Value for Money Audit on the management of the connections under the REP as these are instrumental in improving the electricity access and the attainment of social-economic transformation of the country.

The following key findings and recommendations were noted;

- Analysis of UMEME's connections under the ECP programme revealed that the average connections made during the years under review had improved significantly from 825 per day in 2018 to 1,200 per day in 2020 (just before COVID Period) representing an increment of 45%.

- The verification exercise revealed that approximately 40% of the households visited were using power for commercial purposes such as welding, salons, retail shops; grinding maize, among others while, 60% of the households used power for domestic consumption such as lighting, viewing television, among others. This has improved the socio-economic status of the society.

- Through interview and document review of the work plans submitted to Rural Electrification Programme (REP), Service Providers (SPs) projected to connect only 567,121 households in the target years whereas the Rural Electrification Programme under the ECP had a planned target of 900,000 connections. This implies that the submitted plans were below the programme target by 332,879, which is 37% short of the ECP targets indicated above.
- Further analysis of the achievements of target connections using the ECP database revealed that the service providers made a total of only 252,491 (includes unverified figures by IVA) connections in the three years under review, representing 45% of the projected total targets of 567,121 by SPs. This would, however, represent 28% of the Programme target over the 3 years under review.

- In the period under review, Government planned to spend a sum of UGX.123.3Bn, but it only released UGX.61.0Bn, thus representing a budget performance of only 49%. This affected the attainment of the Programme targeted connections. Further analysis indicated under absorption of the released funds whereby only UGX.51.5 billion was utilized indicating utilization level of only 84% of government funds.

- Utilization of donor funding was equally very low whereby out of total available funds of USD.34.5Mn from WB-IDA and AfDB, only USD.22.9Mn (66%) was utilized. Similarly, out of EUR.20.7Mn available from KfW, GIZ, AFD, and AfDB, only EUR.19.2Mn (69%) was utilized. This constitutes an average utilization to 67.5% over the period under review.

- I noted challenges in procurement management whereby instances of delivery of incomplete sets of connection materials were noted; delayed procurements with an average delay of; excessive procurement of certain connection materials; stock outs on some materials; and unutilized materials in the stores.

- I noted instances of uncoordinated consumer awareness activities by stakeholders in an effort to market and mobilize for increased consumer connections. Service Providers solely carried out consumer awareness through outreach programs, radio and TV talk shows without the involvement of

Programme management. As a result, the envisaged awareness objective of the ECP was not achieved and consumers fell victim of unscrupulous wiremen who ended up charging them for connections which were supposed to be free or overpaying on some subsidized services of the programme.

- A review of a sample of 19 (30%) out of 61 verification reports submitted by the connections department relating to 5 SPs revealed that none were submitted on time. There was a delay in verifications by an average of 5.75 months (23 weeks) contrary to the minimum requirement of 3 months. The longest average delay of 9.75 months (39 weeks) was noted in verifying WENRECO's connections.

I have made the following recommendations

- ✓ Programme management should review the Programme requirements to ascertain whether the envisaged programme resources can still meet the programme objectives and engage relevant stakeholder to ensure that the required resources are provided.
- ✓ MEMD should ensure that the Service Providers that undertake Programme implementation submit all the required plans which should be reviewed and approved by the Programme management; this will further facilitate programme monitoring and enable development of corrective measures in a timely manner.
- ✓ Programme management should review the SPs connection targets to ensure that they are aligned to the Programme targets, and strategies should be developed for the attainment of those targets.
- ✓ Government should prioritize funding of the Programme as planned and envisaged in the Electricity Connections Policy. The Government commitment should be followed through in the annual budgets of the Ministry of Energy and Minerals development.
- ✓ MEMD and Programme management should ensure donors funds are utilized in accordance with the agreed covenants in the funds agreements, and should iron out all bottlenecks that lead to low absorption of donor funding.
- ✓ Programme Management is advised to design detailed material specification requirements during the initiation stage and engage to a sufficient level the utility companies/ Service Providers as they are the final users of the procured materials to reduce the procurement lead time and rejections.
- ✓ Programme Management should consider retooling contract managers to ensure that critical procurement phases are adequately managed to avoid unnecessary procurement bottlenecks.
- ✓ Programme management should take a comprehensive review of all connection materials in the stores to ascertain their usability and take corrective actions.
- ✓ Programme Management should have developed and implement strategies that will ensure coordination, implementation and Monitoring of activities for the coordinated Marketing and Mobilisation of connections to create public

awareness, for the achievement of the objectives of the Programme as envisaged in the ECP.

Conclusion

The status of progress under the ECP programme indicated significant improvements in average connections made during the years 2018 to 2020, with a number of households using electricity for commercial purposes and domestic consumption. That notwithstanding, the ECP has been faced with a number challenges in the implementation of key activities fundamental to the achievement of Programme objectives. Notably, there was failure to meet the target electricity connections due to inadequate planning for connections, non-submission of work plans and inadequate funding. Additionally, there were inadequacies in the procurement and contract management processes, inadequate marketing and consumer awareness, delays in the verification and subsidy re-imbursements and inadequate reporting.

The Government has secured World Bank funding under the Electricity Access Scale Up Project which is expected to bridge the financing gap experienced under the ECP, and result into more electricity connections.

4.3.10. Value for Money Audit on Preparedness by OPM to respond to disasters

Disaster risk is increasingly of global concern and its impact and actions in one region can have an impact on another with Uganda being no exception. The entity mandated to handle disasters in Uganda is Office or the Prime Minister and the Local Governments.

Arising from this background, I conducted a performance study to assess whether the Office of the Prime Minister was adequately prepared to respond to disasters.

The following observations were noted from the study;

- OPM had challenges in early detection and response to disaster warnings. Some of the disasters were detected early but very little was done to adequately prepare for them. In other cases, disasters happened without early detection. It was observed that comprehensive and routine risk profiling and mapping of the disaster-prone areas was still a challenge and this was worsened by the absence of functional and reliable early warning systems.

- The immediate response to disasters by OPM was not timely and usually uncoordinated. This was because the Disaster Management Committees were not fully functional at the districts, sub county and village level which were the closest structures for response. In addition, it was observed that there were weaknesses in the existing coordination arrangements between OPM and other players.

- OPM faced challenges in search and rescue in the event of the occurrence of disaster incidents. Property and sometimes lives were lost or remained un-recovered after incidents of disasters. This was attributed to the lack of rescue equipment and inadequately trained response teams.

- OPM had challenges in post disaster handling and resettlement due to inadequate planning for post disaster resettlement. In addition, the procurement of land for resettlement of Internally Displaced Persons (IDPs) remained one of the unfunded priorities in the Department's work plan.

- Gaps were noted in the existing legal framework as evidenced by absence of the National Disaster Preparedness and Management Act and Standard Operating Procedures for management of disasters. This activity was not prioritized by management.

Conclusion

In order to address the challenges identified, OPM should prioritize risk profiling and mapping, operationalize the Disaster Risk Management plan which provides for funding for disaster management, recruitment of personnel, develop strategies on ensuring that there are functional early warning systems especially in the disaster-prone districts, develop a maintenance plan for the existing equipment as well as enhance coordination with other stakeholders.

4.3.11. Value for Money Audit on Management of Revenue by KCCA

Article 152 of the Constitution mandates Kampala Capital City Authority (KCCA) to levy, charge, collect and appropriate fees and taxes.

I undertook an audit to assess the performance of the Authority in regard to revenue management and below are a summary of my observations;

- The revenue targets used by the Authority were not reflective of the actual capacity of the Authority to mobilise revenue. The Authority uses revenue budgets set by MoFPED which are usually lower than the Authority's internally generated targets. This hinders the authority from achieving its revenue collection potential.

- The Authority performed below the set revenue targets for all the sampled revenue sources. Performance of the various sources was below the set targets with shortfalls ranging between 4% and 17% of the target. The underperformance was attributed to understaffing at the revenue directorate, insufficient transport resources for revenue mobilization, and gaps within the existing legal framework.

- The Authority's revenue arrears have continued to increase over the years. The arrears increased by 86% in the Financial Years 2018/2019 and 82% between FY 2019/2020 to FY 2021/2022. I noted that the annual recovery targets set by the Authority were low compared to the receivables and even the low targets were not met.

I advised the Accounting Officer to ensure that realistic revenue targets are set to realise the Authority's potential to collect revenue. In addition, the Directorate of revenue collection should be facilitated to enhance its capacity to mobilise and collect the planned revenue. The Authority should develop a comprehensive strategy to recover all receivables.

4.3.12. Value for Money Audit on Implementation of development Plans by MDAs and LGs

Planning is a decentralized function meaning it is undertaken by either the MDA or the LG with guidance from the National Planning Authority. Planning units are part of the structures in MDAs and LGs and they manage the planning process i.e. preparation of plans, monitoring of activities and conducting of performance evaluations of implemented activities in respective entities.

This study assessed whether Planning Units had prepared and monitored the implementation of approved development plans.

Below are some of the highlights of the study;

- I noted that 111 MDAs out of the 145 MDAs representing 77% had their development plans approved as aligned to NDP III. A total of 83 out of the 176 LGs representing 47% had their development plans approved as aligned to NDP III. The failure to have development plans that are aligned to the NDP III was attributed to late approval of the NDP-III and late trainings for planners on how to prepare well aligned plans. Failure to have well aligned plans will affect the achievement of the NDP-III objectives.
- Planning units do not undertake consultations with stakeholders during the process of preparing development plans. The only engagements that are close to the consultations envisioned in the regulations are the budget conferences that are conducted in the year preceding the preparation of the development plans. In the case of MDAs, investments priorities were determined based on aspirations of top management. This was attributed to lack of clarity by the planners on the requirement to undertake detailed consultations at the time of preparing development plans. This resulted into failure to prioritize citizen needs.
- There were challenges in aligning entity annual plans to the approved development plans. A sample of ninety (90) activities randomly selected from the annual plans of the sampled entities were traced to the approved development plans and it was observed that only thirty-three (33) activities representing 37% of the total population sampled could be traced back to the approved development plans. The misalignment of the annual budgets and development plans negates the purpose of preparing development budgets since annual priorities are not set from these development plans.
- The study noted that the current monitoring undertaken by the planning entities was un-satisfactory. The monitoring focuses usually on a few capital projects being implemented by the entities and is not regularly and consistently undertaken. In addition, none of the entities had clearly defined monitoring plans and none had undertaken performance evaluations of prior and current development plans. This was attributed to;
    - Lack of M&E officers
    - Failure to train Planners well for M&E activities
    - Lack of comprehensive baseline and performance data to support M& E functions
    - Lack of clear performance indicators and service delivery standards

In order to address the gaps identified, NPA should ensure that the NDPs are approved in time, undertake training and capacity building of planners to prepare well aligned plans. NPA should engage MoFPED to ensure that annual plans are aligned to the approved development plans.

Furthermore, Accounting Officers should strengthen the M&E function. There is a need to put in place comprehensive systems to establish baselines, data collection and performance.

4.3.13. Value for Money Audit on Production of Agricultural Statistics by Ministry of Agriculture Animal Industry and Fisheries (MAAIF)

Agriculture is a key driver of Uganda's economy accounting for over 80% of employment, half (50%) of all exports, and one-quarter (25%) of Gross Domestic Product (GDP). The sector, therefore, requires timely, reliable, and good statistics to enable effective planning, monitoring and evaluation as well as investment, and reporting of business activities. To achieve this, the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) launched the Agricultural Sector Data Centre and National Food and Agricultural Statistics System (NFASS) in 2015 to harmonise the production of agricultural statistics in Uganda. The System aimed to ensure that data related to the agricultural sector is accurate, timely, consistent, disaggregated and accessible to facilitate planning and decision-making in MAAIF, other Ministries, Departments and Agencies, and Local Governments as well as facilitating private sector investment decisions.

This audit sought to assess whether Agricultural Statistics produced by MAAIF through the National Food and Agricultural Statistics System (NFASS) are Relevant, Accurate, Reliable, Timely and Accessible for proper planning, decision making and policy formulation. Below are key findings and conclusions.

i. Status of Implementation of the National Food and Agricultural Statistics System (NFASS) Project

a) Component 1: National Agricultural Data Centre

Underutilized data Centre: It was noted that the data centre was not being utilized in the processing and analysis of data from MDAs, LGs, and MAAIF departments on a day-to-day basis as envisaged at project inception despite being fully equipped. The Ministry, therefore, did not produce any monthly or seasonal statistical products for the duration of operation of the data centre, that is, 2015/16 to 2021/22.

Non-functional TEEAL library: The TEEAL Library was not functional and could not be accessed by potential users. This was attributed to the expiry of the software license which the Ministry had not renewed following its initial purchase. Whereas the TEEAL library which was run by Cornell University was discontinued in 2018, MAAIF did not seek alternative agricultural libraries to support agricultural research and access to statistical resources. This deprives users of vital information that could be utilized for research, planning, and decision-making.

Digital linkages not established to the Data Sources: Interviews with staff from the departments of Fisheries, Crop and Livestock revealed that most of the administrative data collected is still paper-based and not digitized into comprehensive data sources.

b) Component 2: Institutional Data Module

Communication linkages between staff at the data centre and MDA's: I noted that, following the closure of the project in FY 2019/20, and the expiry of NFASS Project staff contracts, MAAIF had not designated specific staff members to the data centre and as such the data centre had remained idle over the period 2020/21-2021/22.

Data and information transfer protocols: Through system inspection and interviews, it was noted that the Agricultural Statistics Division failed to establish data and information transfer protocols which limited the flow of data between the various institutions and the data centre. It was attributed to the inadequate coordination between MAAIF and the respective MDA's.

c) Component 3: Routine Agricultural Administrative Data Reporting System (RAADRS)

It was noted that the Division had conducted training of agricultural extension workers in 24 out of the 112 districts in the country as of FY 2017/18 citing limited funding. However, the audit observed that UGX 1.95Bn of NFASS funds that would have otherwise been used to train extension staff in all the districts were diverted to the Joint Agricultural Sector Annual Review (JASAR) between 2016/17-2019/20.

d) NFASS Pilot study

Data collection from the Sampled Farmers: A pilot study was undertaken without pre-testing the enterprise data collection tools. Additionally, it was noted that, data collected with the enterprise tools in 2019/20 was uploaded to the system (back end) however, at the time of the audit, the data was still in its raw form, not validated, and therefore not analysed. As a result, the Routine data collection from farmers has not taken off.

Data quality on NFASS: It was noted that the data presented on the NFASS website in form of graphs and figures lack attributes of good statistics presentation such as completeness, comprehensiveness, interpretability, coherence and comparability.

ii. Accuracy and Reliability of Agricultural Statistics Produced by the NFASS

a) **Validation of source data, intermediate results and statistical outputs:** The Audit noted that the statisticians at the Ministry had not maintained an audit trail of any changes that were made to the data during the data processing. Interviews with the DPOs further revealed that they were not involved in the validation of data because it was collected using CAPI and submitted directly to MAAIF.

b) **Measure and systematically document sampling and non-sampling errors:** The Ministry piloted the enterprise tools in 5 districts; however, it did not produce a report for the pilot highlighting the challenges identified and the sampling and non-sampling errors identified to guide in the rollout to other districts. Lack of quality control practices risks the credibility of the data produced by the entire system.

iii. Timeliness of Agricultural Statistics Produced by the NFASS

The audit noted that, the statistics available on the NFASS website relate to data collected during the farmer's registration exercise conducted in 2018. Although, MAAIF subsequently piloted the data collection tools in 5 districts in 2019, the results of this exercise had not been published by the time of the audit.

The audit noted that the Agricultural Sector Statistics Committee (ASSC) held two (2) coordination meetings, out of a possible Twelve (12). It was also noted that in FY 2018/19, only three (3) of the seven (7) semi-autonomous agencies attended the meetings, while in FY 2020/21, four (4) of the Seven (7) semi-autonomous agencies attended the meeting.

iv. <u>To ascertain whether the statistics produced and disseminated by the NFASS meet the current and/or emerging needs of stakeholders and users of agricultural statistics.</u>

a) **Stakeholder Consultation**. The audit noted that key stakeholders like the farmers under the Uganda National Farmers' Federation, Uganda Meteorological Authority, Uganda Revenue Authority, Bank of Uganda among others were not consulted.
b) **Emerging needs of Stakeholders.** Audit observed that the Ministry generated only production data for 17 key commodities but excluded market and weather data and analysis which is considered key information to support farm production and marketing.

c) Dissemination of Agricultural Statistics

- **Lack of an Agricultural Statistics Dissemination Strategy.** The MAAIF MPS for FY 2015/16, stated as part of prior year achievements (2014/15), that a draft statistics dissemination strategy had been developed. However, MAAIF did not avail the draft and/or the approved statistics dissemination strategy for audit. As a result, there is no guidance provided by the ministry to agencies producing agricultural statistics.

- **Limited dissemination mechanisms.** I noted that MAAIF and sector agencies disseminate statistics through the MAAIF statistical abstract and also through their respective websites for access by the different stakeholders. However, only 5 % of the people in rural areas and 21% of the people in urban areas have access to the internet. In addition, only 13% of persons aged 15 years and above were aware of any or some Government online services available irrespective of whether they had used the internet or not.

The Audit recommended that MAAIF should;

- ✓ Expedite the linkages between institutional and departmental systems with the data centre so as to ensure regular flow of data and consistent use of the data centre.

- ✓ For future projects, management is advised to ensure comprehensive and extensive feasibility prior to project commencement, to ensure that all key stakeholders are on board.

- ✓ Spearhead the coordination activities within the established coordination mechanisms to ensure that the Ministry's agenda is prioritized at these fora. The

Ministry Should further prioritise committee meetings and ensure the attendance of all committee members.

- ✓ Develop data and information transfer protocol between databases of the key stakeholder institutions such as CDO, DDA, UCDA, NAGRI/DB, and NARO to the NFASS system

- ✓ Ensure that funds are allocated to activities that are aligned with their respective outcomes.

- ✓ Streamline the process of validation to allow for data validation at the districts by Extension workers and DPOs so that errors in the data can be identified and addressed as and when they arise. Prioritise assessments of data demand from farmers and other key stakeholders to ensure that statistical products produced by MAAIF meet the existing and emerging demands of users.

- ✓ Finalise the statistics dissemination strategy so as to provide regularised and harmonised channels through which agricultural information is delivered to all key users of agricultural statistics.

Conclusion

The project which was established to set up the NFASS system did not meet all its objectives. This is because the data centre which was established to enable the Agricultural Planning Department to become a central resource for quality and timely agricultural information had not been fully utilised since it was set up in 2015. Furthermore, the system had not been linked to other agricultural data-producing MDAs such as UCDA, CDO, DDA, NARO, and District Local Governments. As a result, MAAIF had not produced monthly, seasonal and annual agricultural statistical products such as Production data, Market data, weather/climate data, and soil quality maps in different regions for the different commodities. MAAIF currently produces only one annual product, that is, the Statistical Abstract. The lack of timely, accurate and relevant agricultural statistics deprives stakeholders of the information they need for proper planning and decision-making.

4.3.14. Follow Up Report on the Status of implementation of Audit Recommendations on the Value for Money Audit on the Regulation of Labour Externalization by the Ministry of Gender Labour and Social Development

In December 2017, the Office of the Auditor General issued a report on the Regulation of Labour Externalization by the Ministry of Gender, Labour and Social Development (MoGLSD) and submitted the report to Parliament. Key issues noted and recommendations made in the said report related to sensitization and awareness on labour externalization program, licensing of recruitment agencies, accreditation of Foreign Principals, monitoring and supervision of recruitment agency activities, grievance and complaints handling.

The Office of the Auditor General (OAG) decided to undertake a follow-up of the 2017 audit given that the extent to which the Ministry addressed the issues raised would have a bearing on improvements in regulation of labour externalization in Uganda. Following that, recommendations were made with the goal of addressing any outstanding issues that had been identified.

The previous audit covered three (3) financial years (FY) starting from 2014/15 to 2016/17. The follow-up thus evaluated progress made by the Ministry of Gender, Labour and Social Development (MoGLSD) and roles played by other stakeholders such as the Ministry of Internal Affairs, parliamentary committee on Gender, Labour and Social Development, Uganda Mission in United Arab Emirates, Criminal Investigation Department (CID), Interpol, Joint Intelligence Committee, Workers representatives, migrant workers, Local Governments and the Labour recruitment companies/ agencies, in implementing audit recommendations from 2017 to-date.

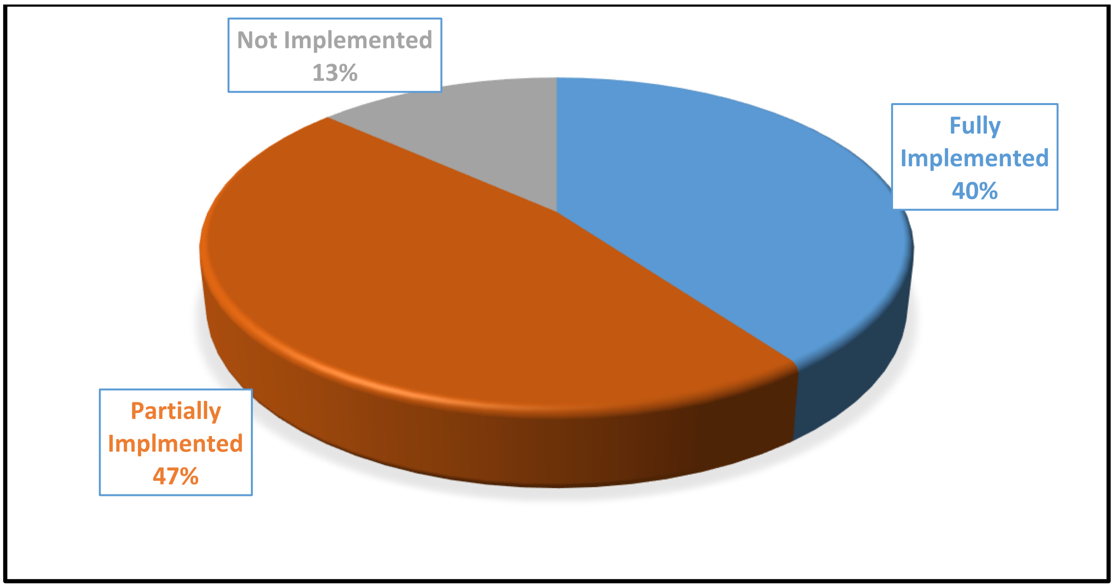
Summary of status of implementation of Auditor General's Recommendations of the Previous Audit Report and actions taken by MoGLSD

It was noted that MoGLSD had made efforts to implement the Auditor General's recommendations, resulting in improvements in oversight and regulation of Labour Externalization in Uganda. Out of the 15 key audit recommendations made in the AG's report of 2017,

- 6 (40%) were fully implemented;
- 7 (47%) were partially implemented; and
- 2 (13%) of the recommendations were not implemented

A summary of the status is presented in the Figure 1 below;

Figure 4: Summarised status of implementation of audit recommendations



Source: *OAG analysis of MoGLSD responses and supporting documentation*

Specifically, it was noted that following the 2017 audit that although MoGLSD management had not implemented **2** audit recommendations; good progress had been registered by MoGLSD in in oversight and regulation of Labour Externalization in Uganda with **6** recommendations fully implemented and **7** partially implemented, the noted key progress included the following;

- Revised the Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations to make noncompliance penalties more severe;
- Automated processes for regulating labour externalisation to improve tracking and compliance; and
- Begun accreditation of foreign recruitment agencies that recruit Ugandan migrant workers in order to protect the workers' welfare.

The table below presents the status of implementation of the recommendations of the 2017 audit by MoGLSD:

Table 76: Detailed status of implementation of OAG recommendations

S/N	Audit Recommendation	Status of Implementation	Audit Comment on Resolving Previous Condition/Problem by Actions of Management
Sensitisation and awareness on the externalization of labour program			
1	The Ministry should make a deliberate effort to ensure that planned and budgeted awareness and sensitization activities for FY 2017/18 are undertaken. This should be done in the various local languages in the different regions.	Partially implemented	There remain gaps in sensitisation and awareness. The current activities are limited in frequency and coverage.
2	MoGLSD should train and sensitize the district labour officers and use them as channels for creating public awareness in their localities through the free airtime given for government programmes at the local media stations.	Partially implemented/on-going	More than half of the country's labour officers have not received training on labour externalisation.
3	MoGLSD should fast track the finalization of the review process for The Employment (Recruitment of Ugandan Migrant Workers Abroad) Regulations and also put in place mechanisms for dissemination of all statutory instruments relating to Externalization of Labour.	Implemented	It is now necessary to step up efforts to disseminate the revised regulations.
Licensing of recruitment agencies and accreditation of foreign principals			
Licensing of recruitment agencies			
4	Ministry should develop an efficient system to track	Implemented	The External Employment Management Information

S/N	Audit Recommendation	Status of Implementation	Audit Comment on Resolving Previous Condition/Problem by Actions of Management
	compliance with licensing requirements and also validity of licenses and bank guarantees. Development of the online document processing system is a step in the right direction.		System has improved tracking for compliance in labour externalisation processes.
5	As the guideline requires, the Ministry should plan and budget for training of applicants for licensing with the aim of enhancing their capacity and knowledge in managing the operations of private recruitment agencies.	Not Implemented	No record for training of applicants prior to licencing provided to the audit team.
6	The Ministry should revise the existing laws governing Labour Externalization and make it more punitive to deter illegal recruitment of Ugandan migrant workers	Implemented	The penalties for non-compliance were made more severe in the revised Regulations.
Accreditation of foreign principals			
7	The Ministry should only approve manpower request from accredited foreign principals and also work closely with the Ministry of Foreign Affairs and Uganda missions to verify, validate information provided by foreign principals, and accredit the foreign principals in all labour receiving countries for all job categories	Implemented	Manpower requests by foreign recruitment agencies are initiated online by registered/ accredited companies. Although verifications by the mission staff takes long to due non-availability of resources.
Monitoring and supervision of recruitment agency activities			
8	Review the staff establishment of the External Employment Services Unit and allocate additional manpower and other resources to enable it effectively undertake planned activities.	Partially Implemented	Currently the Unit is supported by contract staff (one year) under projects. This is not sustainable.
9	Fast track the development of the	Implemented	The management information system in in

S/N	Audit Recommendation	Status of Implementation	Audit Comment on Resolving Previous Condition/Problem by Actions of Management
	Integrated Management Information System to facilitate proper monitoring. The system should ease the coordination and sharing information on migrant workers with foreign missions to facilitate monitoring of workers' welfare.		place. However, there is need to integrate this system with other migration systems both locally and at the missions to strengthen monitoring.
10	Liaise with Ministry of Foreign Affairs and strengthen the capacity of respective missions abroad in terms of manpower (labour attaches) and financial resources to facilitate monitoring of workers' welfare.	Not Implemented	Deployment of labour attachés remains pending.
11	Ensure that negotiations take place for all labour receiving countries and bilateral agreements for migrant labour are signed and also start accreditation of foreign employers to get their goodwill in safeguarding welfare of Ugandan migrant workers.	Partially Implemented	MoU signed with the government of UAE but the agreement to operationalise the MoU is yet to be signed (As at 30th November, 2022).
12	Enforce penalties for non-adherence to the terms of licensing.	Implemented	There is evidence that the ministry now takes action on non-compliance.
13	Emphasize and undertake routine and spot inspections as required.	Partially Implemented	The frequency and coverage of spot/ routine inspections remains low.
Grievance and complaints handling			
14	Fast track the establishment of officers responsible for handling complaints both at the Ministry and in all labour receiving countries.	Partially Implemented	The ministry has designated officers (though some temporary) to handle complaints, this needs to be reciprocated in labour receiving countries.
15	Set up a tracking system that monitors the recording, coding, investigation and	Partially Implemented	The module for complaints management is yet to be activated on the External Employment Management

S/N	Audit Recommendation	Status of Implementation	Audit Comment on Resolving Previous Condition/Problem by Actions of Management
	resolution of all complaints raised by migrant workers.		Information System (EEMIS).

Source: *OAG analysis of MOGLSD responses and supporting documentation*

4.3.15. Follow-up Audit Report on the Status of Implementation of Audit Recommendations on the Value for Money Audit on the Management of Wildlife Conservation by the Uganda Wildlife Authority (UWA)

In March 2011, the Office of the Auditor General issued a report on the Management of Wildlife Conservation by the Uganda Wildlife Authority and submitted the report to Parliament. Key issues noted and recommendations made related to Research and Monitoring in Conservation Management, Conservation and Natural Resource Management, Staff welfare and Re-introduction and introduction of extinct species among others.

The Office of the Auditor General (OAG) decided to undertake a follow-up of the 2011 audit, aware that the extent to which the Authority addressed the identified performance gaps would lead to better Management of Wildlife Conservation in Uganda.

The previous audit covered three (3) financial years (FY) starting from 2008/2009 to 2010/2011. This included selected conservation areas and focused on the management of wildlife conservation by Uganda Wildlife Authority (UWA) with the aim of ascertaining whether UWA was managing conservation in protected areas, maintaining park infrastructure and collaborating with other stakeholders in the conservation of wildlife for the benefit of the people of Uganda. The follow-up thus evaluated progress made in implementing audit recommendations from 2011 to-date.

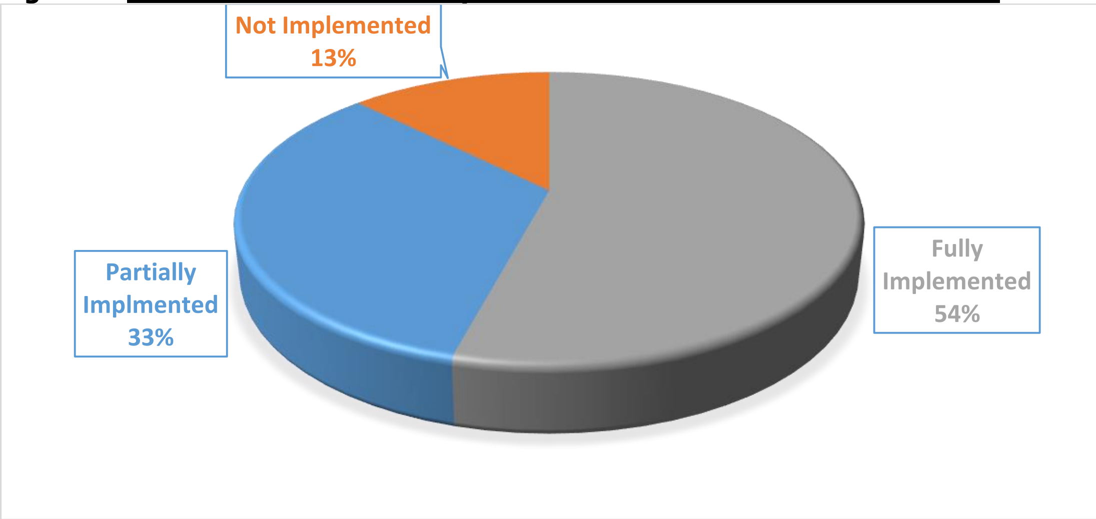
Summary of Status of Implementation of Auditor General's Findings and Recommendations of the Previous Audit Report and Actions taken by UWA

It was noted that UWA had made efforts to implement the Auditor General's recommendations, resulting in improved Management of Wildlife Conservation in Uganda. Out of the 24 key audit recommendations made in the Auditor General's report of 2011,

- 13 (54%) were fully implemented;
- 8 (33%) were partially implemented while ;
- 3 (13%) were not implemented by UWA.

A summary of the status is presented the Figure 1 below.

Figure 1: Summarised status of implementation of audit recommendations



Source: *OAG analysis of UWA responses and supporting documentation.*

Specifically, it was noted that following the 2011 audit, although UWA management had not implemented **3 (13%)** audit recommendations; good progress had been registered by UWA in Management of Wildlife Conservation in Uganda with **13 (54%)** recommendations fully implemented and **8 (33%)** partially implemented, the noted key progress included the following;

- The Wildlife Policy 2014 has been reviewed and approved with the Wildlife Act 2019 enacted and the Wildlife Research and Training Institute is now operational.
- Integration of IT systems such as Earth Ranger and SMART in Wildlife Conservation Management
- The Ranger force is now well equipped with more than I set of complete uniforms.
- UWA staff medical scheme has been reviewed and now All UWA staff have medical insurance cover.
- The Procurement process for goods, services and works have greatly imporved with better compliance with the PPDA rules and regulations.
- The UWA Policy for Animal Translocation has been developed.
- The Rhino Specific strategy for reintroduction and management of Rhinos in Uganda has been developed and is under implementation.
- UWA has developed and is implementing strategies aimed at securing Protected Areas (PAs) through use of electric fences, collars to tag wildlife and ICT solutions among others and these have yielded positive results.
- The recruitment of key technical staff and strengthening of the capacity of Rangers in UWA Protected Areas (PAs) is a continuous activity

Table below presents the status of implementation of the recommendations of the 2011 audit by UWA;

Table 77: Detailed status of implementation of OAG recommendations

SN	Audit recommendation	Status of implementation	Audit comment on resolving previous condition/problem by the actions of uwa management
Research and monitoring			
Data for wildlife resources and biodiversity management			
1	UWA should prioritize her population survey and ecological monitoring activities through improved budgeting and resource allocation mechanism.	Partially Implemented	UWA has undertaken many surveys over the years despite their limitations, thus having limited coverage.
2	UWA should mobilize and encourage volunteers and students who are willing to conduct surveys into the activities of wildlife management.	Implemented	Many students are conducting research in the various PA despite their limited supervision and incorporation of UWA research priorities in their research.
Wildlife Research for Conservation Management			
3	UWA should strengthen the capacity of the Research and Monitoring unit so as to enable it adequately monitor and promote its planned research activities.	Partially Implemented	UWA designated research officers in the various PA's despite their lack of specific PA research plans and monitoring of various UWA interventions.
4	The process of reviewing the Wildlife Policy should be expedited to enable the creation of the wildlife Research and Training Institute.	Implemented	The Wildlife policy was reviewed and the Research Institute is operational and sending research students to the PA's.
Conservation and natural resource management			
5	UWA should equip the planning unit to enable it to develop fire management plans and empower PAs for their implementation.	Partially Implemented	Planning Units have been equipped, fire management plans are prepared but are yet to be reviewed for their effectiveness and organizational learning.
6	UWA should develop and document standard operational procedures for staffing, deployment, accommodation, and food rations for law enforcement rangers.	Partially Implemented	Staff welfare has greatly improved over the years despite the challenges of fully implementation across all the PA's.
7	The UWA management should provide a complete set of uniforms to its entire staff in time.	Implemented	Uniforms situation has improved since most rangers at least have 2 sets of complete uniforms.
8	UWA should effectively plan for its procurement activities, which should be accordingly implemented to avoid delays in the procurement process.	Implemented	Procurement process have improved over the years.

SN	Audit recommendation	Status of implementation	Audit comment on resolving previous condition/problem by the actions of uwa management
9	UWA should review its staff medical scheme and strategies to ensure that all staff benefit, including rangers.	Implemented	Medical insurance is now being provided to all UWA staff across all levels.
Re-introduction of Extinct Species			
10	UWA should follow policies and guidelines for wildlife shipment, translocation and reintroduction and should be actively involved in the implementation of these policies.	Implemented	Polices for animal translocation have been developed and implemented across the PA's and these have proved to be very effective over the years.
11	UWA should actively involve itself in the management of the Rhino Fund Uganda as required by the signed memorandum of understanding.	Partially Implemented	UWA is fully involved in the management of ZZiwa rhino sanctuary despite the delays in signing a new MoU with the land owner.
12	UWA should develop a Rhino specific strategy for the reintroduction and management of the Rhinos in the country.	Implemented	Rhino specific strategy was developed and is being implemented with very promising results for the numbers of rhinos in Uganda.
Community conservation revenue sharing scheme			
13	The Community conservation unit of UWA should guide the communities neighbouring the PAs on how to access and utilize their share of revenue.	Partially Implemented/Continuous	Revenue sharing has greatly improved despite Covid 19 challenges.
14	UWA should ensure prompt disbursement of the share of revenue to communities.	Not Implemented	Revenues are not promptly disbursed and thus the problem continues to exist due to covid 19 challenges.
15	UWA should expedite the process of the review of the revenue sharing guidelines and the approved guidelines should be communicated to beneficiaries.	Partially Implemented	Revenue sharing guidelines have been developed but are yet to be disseminated to the beneficiary communities.
Monitoring and Control of Problem Animals			
16	UWA should consider strategies that will enable it to protect all its PAs boundaries to curtail the movement problem animals outside their gazetted areas.	Implemented	UWA continues to implement various strategies such as the electric fence, use of collars and other ICT strategies and these have had positive results.
17	UWA, in consultation with Government, should	Not Implemented	UWA has not shown evidence for engagement of

SN	Audit recommendation	Status of implementation	Audit comment on resolving previous condition/problem by the actions of uwa management
	consider strategies for freeing the buffer zones of the communities surrounding the PA.		government to create buffer zones. Challenges with communities continue exist.
18	UWA should strengthen the capacity of rangers to enable them to effectively monitor and control the movement of problem animals.	Implemented/Continuous	UWA rangers have received training in the management of problem animals. The Use of ICT will greatly reduce the problem animal incidences.
Maintenance and rehabilitation of infrastructure within the PAs			
19	UWA should develop and implement a maintenance plan for its infrastructure. This will help in planning and scheduling its maintenance activities.	Not Implemented	The Strategic long term maintainace plan has not been developed thus maninatance of infrastructure continues to be undertaken as funds are available.
20	The management of UWA should identify appropriate staff to manage its infrastructure needs.	Implemented	UWA has recruited and trained personnel to manage infrastructure in the PAs.
21	UWA should prioritize the maintenance of its road and water equipment to enable it increase to its capacity to rehabilitate and maintain roads, trails, tracks and ferries in the PAs.	Implemented/continuous	Roads in the National Parks have improved over the years due to the road equipment's and the recruited staff across the PA's.
Prosecution of offenders			
22	UWA should identify, recruit, train and gazette prosecutors for every CA as specified in its strategic plan.	Partially Implemented	UWA identified, recruited, trained, and designated prosecutors for each PA, but the number of offenders is rising due to the absence of a system to track down the offenders' financiers.
23	The legal unit should be staffed adequately to manage all UWA's legal matters, including the review of the existing Wildlife Act and drafting of the regulations to operationalize the Act.	Implemented	Numerous cases have been prosecuted, and laws and other regulations have on occasion been reviewed.
24	The UWA Management should ensure that regulations to operationalize the Act are developed and approved by the relevant authorities.	Implemented/Continuous	The regulations have been operationalized

Source: *OAG analysis of UWA responses and supporting evidence*

4.3.16. Follow-Up Report on the Status of Implementation of Audit Recommendations on the Value for Money Audit on the Regulation of the Construction Sector by the Ministry of Works and Transport

In December 2015, the Office of the Auditor General issued a report on the Regulation of the Construction Sector by the Ministry of Works and Transport and submitted the report to Parliament. Key issues noted and recommendations made in the said report related to Development of policies, laws and standards, Strengthening and Support to Regulatory and Professional Bodies, Dissemination of policies, laws and standards, Research on Construction Materials, Monitoring of Compliance to Construction standards and coordination of stakeholders among others.

The Office of the Auditor General (OAG) decided to undertake a follow-up of the 2015 audit given that the extent to which the Ministry addressed the issues raised would have a bearing on improvements in enforcement of best practices in the construction industry. Further, recommendations were then made with the aim of addressing outstanding issues noted.

Scope of the follow-up

The previous audit covered three (3) financial years (FY) starting from 2012/13 to 2014/15. The follow-up thus evaluated progress made by Ministry of Works and Transport coordination with Key stakeholders in implementing audit recommendations from 2015 to-date.

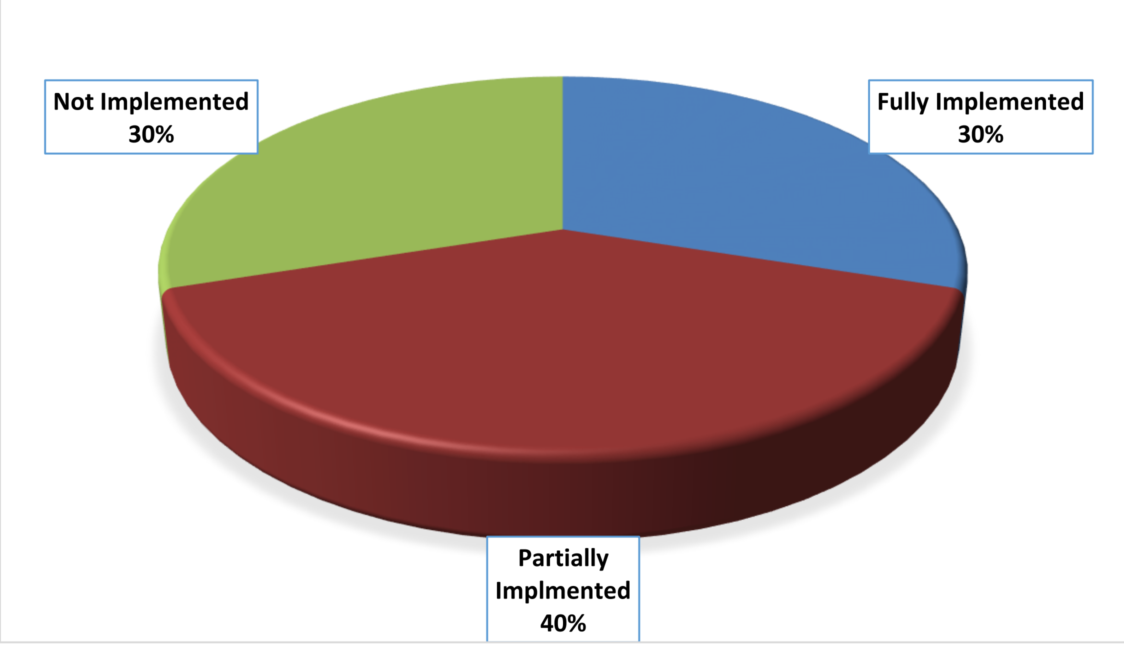
Summary of Auditor General's findings and recommendations of previous audit report and actions taken by Ministry of Works and Transport (MOWT)

The Ministry of Works and Transport (MoWT) had made efforts to implement the Auditor General's recommendations, resulting in improvements in oversight of the Construction Sector in Uganda. Out of the 10 key audit recommendations made in the AG's report of 2015,

- 3 (30%) were fully implemented;
- 4 (40%) were partially implemented and
- 3 (30%) of the recommendations were not implemented

A summary of the status is presented in the Figure 1 below.

Figure V: Summary of status of implementation of audit recommendations



Source: *OAG analysis of MoWT responses and supporting documentation*

Specifically noted was following the 2015 audit, although MoWT management had not implemented 3 audit recommendations, good progress had been made by MOWT towards Regulation of the Construction Sector by MoWT, with 3 recommendations fully implemented and 4 partially implemented. The noted progress included the following;

- The Building Codes and Regulations were developed and have been operationalised since 2nd October 2018.
- The National Building Review Board was inaugurated on 2nd October, 2018 and the Secretariat was established in March 2019.
- The Ministry updated and developed policies, manuals, specifications and guidelines such as the Road Tolling Policy of 2017, Non-Motorised Transport (NMT) Design, Construction, and Operation Manual, Low Volume Sealed Roads Manual (2018) and Specifications, Roads Act (2019). The specifications for Roads & Bridges Works and Urban Roads Manual are under review.
- The Ministry increased budgetary support to regulatory and professional bodies associated with regulation of the Construction sector.
- The Ministry filled regulatory gaps like the establishment of Construction Industry Development Committee which has representation from all professional bodies.

The Table below presents, in detail, the recommendations of the 2015 audit, and the extent to which they have been implemented:

Table 78: Recommendations of the 2015 audit

S/N	Audit recommendation	Status of implementation as reported by mowt	Audit comment on resolving previous condition/problem by actions of management
Mandate and Regulatory Framework for the construction industry			
1	The Ministry should refocus on its core mandate to enable effective provision of oversight in the Construction Sector.	Not Implemented	No

S/N	Audit recommendation	Status of implementation as reported by mowt	Audit comment on resolving previous condition/problem by actions of management
2	The Ministry should prioritize finalization of the UCICO bill.	Partially Implemented	No
3	The Ministry should endeavour to finalize the development of the Regulations and the Building code as planned.	Implemented	Whereas, the building regulations and code were developed, They were not widely disseminated.
4	In addition, funding earmarked for such activities should be put to the intended purpose to enable the realization of the planned outputs.	Not implemented	No
5	The Ministry should also prioritize the review of the roads manuals, standards and guidelines to take into account the current road traffic in the country.	Partially Implemented	Whereas some manuals have been reviewed, they have not been disseminated
6	The Ministry should ensure that strengthening and support to the regulatory and professional bodies is prioritized as envisaged under the policy.	Partially Implemented	No
Dissemination of policies , laws, guidelines and standards			
7	The Ministry should always prioritize the dissemination of the standards and training of stakeholders and also ensure that funds are utilized as intended to create awareness on quality aspects in the industry. Besides holding workshops and seminars, the Ministry should also strive to strengthen its resource centre so that relevant information can be easily accessed.	Not Implemented	No
Research on Construction Materials			
8	The Ministry should always endeavour to carry out research activities as planned so as to promote use of new and improved technologies such as usage of local construction materials.	Partially Implemented	Partially
Monitoring of compliance to construction standards			
9	The Ministry should always ensure that funds received for monitoring activities are utilized as planned.	Partially Implemented	Partially

S/N	Audit recommendation	Status of implementation as reported by mowt	Audit comment on resolving previous condition/problem by actions of management
	The Ministry should ensure that Annual Performance Agreements are signed with UNRA and MoUs entered into with other Agencies like KCCA, MoLG, Local and Urban Councils to streamline their respective monitoring roles. A mechanism should be established to enable follow-up of recommendations made in the technical compliance audit reports		
Coordination of stakeholders			
10	The Ministry should put in place a proper coordination mechanism among government entities implementing public works in order to harmonize their different activities and avoid duplication and resource wastage. In addition the Ministry should expedite the enactment of the UCICO bill to enhance coordination amongst the key government institutions and other stakeholders in the sector.	Not Implemented	No

The outstanding recommendations should also be addressed to enhance the regulation of the construction sector.

4.3.17. Value for money audit report on management of piped water systems in rural areas of uganda by Ministry of Water and Environment

Access to safe drinking-water is essential to health, a basic human right, and is an important health and development aspect at global, national, regional and local levels. Access to water is described as availability of at least 20 liters of water per person per day within a radius of one kilometer of the user's dwelling. One of the strategic objectives of the Ministry of Water and Environment (MoWE) is to increase water supply coverage in the rural areas while ensuring equity by providing at least each village with one safe and clean water source, and where it is technically feasible with piped water options.

The Ministry of Water and Environment has implemented a number of piped water schemes targeting 70% of the people in rural areas to have access to safe water within one kilometer (1000-meter) by the end of the financial year 2021/2022. However, actual access achieved was an average of 68.3% over the four years under review. Over the years, the Ministry noted several challenges affecting performance of rural water piped water schemes including; delays in land acquisition, budget cuts, delayed release of funds, vandalism of the water infrastructure, and the effects of Covid19 lockdown, among others.

The overall objective of the audit was to assess whether the Ministry of Water and Environment planned, implemented and undertook operations and maintenance of the selected piped water schemes in rural areas in a timely and effective manner. The audit covered four financial years from 2018/19 to 2021/22 whereby 3 projects covering 18 water schemes out 6 projects with 23 water schemes were assessed.

Below is a summary of key findings and recommendations.

During the period under review of 2018/19 to 2021/2022, the Ministry of Water and Environment implemented a total of six projects with 23 piped water schemes. Of these 23 schemes, 11 were completed while 12 were still ongoing. In addition, The Ministry's access to safe rural water stagnated at 68% for three out of the four years under review ended 30th June 2022. The stagnation was attributed to the growing population and the inability to provide infrastructure to meet the growing water demand. The following were noted;

- There was no evidence of review of the plans and feasibility studies before commencement of construction works. Planning documents relating to the three (3) projects with eighteen (18) water schemes selected for audit were not availed to the audit team for review.

- Despite the absence of the planning documents, indications of inadequate planning were revealed through the review of implementation documentation. The significant variances in the actual and targeted number of beneficiaries, occasioned by the delayed plan approvals before actual implementation of the schemes, were noted. This further indicated that there was no project re-appraisal undertaken by management to validate the targets. As a result, there were variations in contract works and contract prices amounting to UGX 14.358 billion.

- There were delays in implementation of water supply schemes. Fourteen (77.7%) of the eighteen schemes were delayed and had extensions of up to four years. The delay in implementation was attributed to the delays in commencement of construction works by contractors of up to 5 months, delayed payment to contractors for certified works by over four months, affecting their cash flows; internal borrowing of project funds of up to UGX5.7 Billion to implement activities outside the approved work plans; and delays resulting from the restrictions under the Covid19 Pandemic. Furthermore, the delays were a result of the delays in acquisition of project land, among others. The overall project delays have since resulted into increased interest costs charged by supervisors and contractors of up to UGX 3.2 billion.

- There were inadequacies in regard to the monitoring and evaluation undertaken by the monitoring and evaluation unit at the Ministry of Water and Environment. The M&E activities were not frequently undertaken, actual monitoring visits were not undertaken as planned, and absence of contract management reports for management decision making purposes. Consequently, the use of substandard materials/equipment to implement the piped water schemes by contractors were not timely identified; and delays by the contractors to implement monitoring recommendations and supervisory instructions were not followed. These affected the overall quality of service delivered to the citizens and are likely hinder overall project sustainability.

- The annual national average of the functionality of water supply systems averaged at 83.5% over the four years. Whereas this was a good measure of performance, the incidents of limited functionality on some water schemes were noted which resulted from inadequacies in the maintenance and repairs of the schemes, occasioned by limitations in revenue collection, inadequate actual water connections in relation to the planned targets, vandalism of water system infrastructure, and affordability of the water services by the communities, among others. These challenges if not addressed are likely to hinder the sustainability of the schemes and the overall failure by Government to attain the desired levels of quality water accessibility to the citizens in the rural areas.

The Ministry of Water and Environment should;

- ✓ Ensure that filing of planning and other related records is properly managed by considering going digital to enable easy accessibility to those records to foster assessment or project appraisals at any level when required.

- ✓ Ensure adequate reviews of projects plans or project re-appraisals are undertaken before commencement of projects which take longer to commence following long lead times before accessing funding. In addition, payments to contractors should be synchronized with planned cash flow releases for the schemes implementation.

- ✓ Assess the viability of the initial feasibility studies and project designs and make timely revisions where necessary. This would reduce on the increased project costs resulting from delays and variations taking place during project implementation.

- ✓ Undertake adequate monitoring and evaluation of the implementation of the water supply schemes. In addition, preliminary project activities, such as; identification of sites, water quality and quantity of sources, compensation of project Affected Persons (PAPs), and acquisition of land, among others, should be undertaken prior to handover of construction sites to contractors. Furthermore, Accounting Officer should ensure timely payment of contractors; implement activities according to approved budgets, and frequent discussion of monitoring and supervision reports to ensure snags are rectified in a timely manner.

- ✓ Liaise with Ministry of Finance, Planning and Economic Development to source for sufficient funds to monitor and supervise activities for increased functionality and sustainability of the water supply schemes.

- ✓ Routine and timely maintenance of piped water systems. In addition, security over the water infrastructure should be enhanced to cub vandalism of the infrastructure.

- ✓ Adequate staffing and facilitation of the Area Service Providers to support routine checks to stop illegal connections, and conduct sensitization of communities. In addition, operational expenses of these organizations should be reviewed so as to reduce the cost of delivery of service to the public.

<u>Conclusion</u>

Whereas the Ministry of Water and Environment has undertaken specific interventions to increase access to safe water by the rural population, through the Rural Water Supply and Sanitation department by up to 68%, inadequate planning, delays in construction and completion of schemes, inadequate monitoring and evaluation of activities, as well as inefficiencies in operations and maintenance of the rural water supply schemes, have stagnated the performance of the programme. These have been occasioned by delays in land acquisition, vandalism of the water system infrastructure, limitations in affordability of the service, inadequate monitoring and contract management, among others.

It is hoped that with the appropriate stakeholder engagement, closer monitoring and policy review, among others, the inadequacies in the rural water sub-sector will be reduced to enable the country benefit from effective and timely access to safe water.

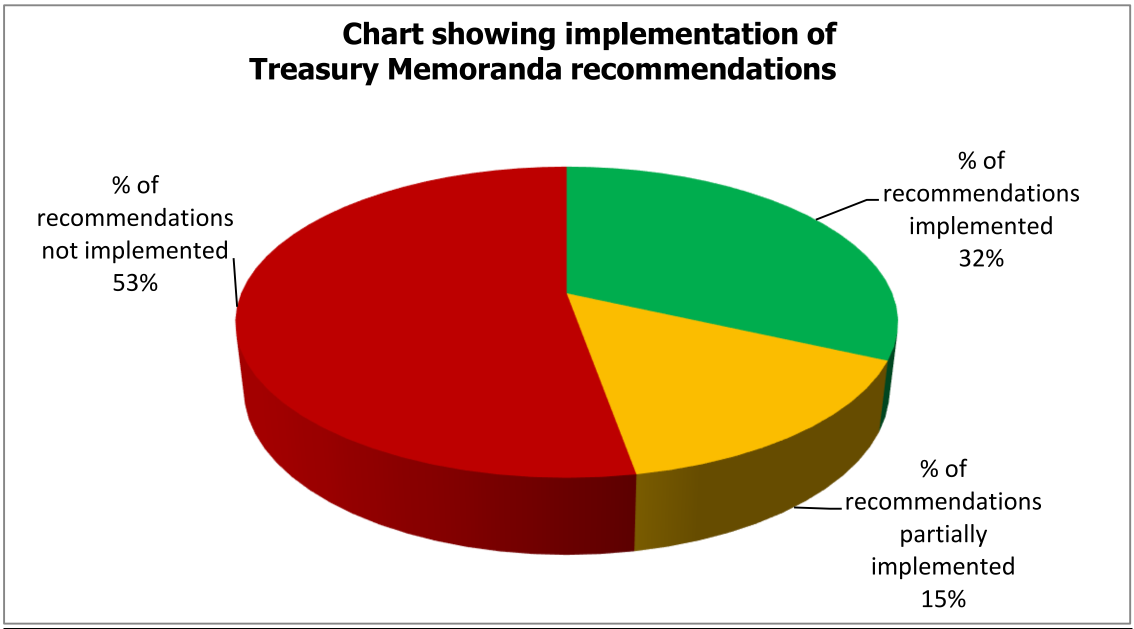
5. PART 5: HIGHLIGHTS FROM TREASURY MEMORANDA AUDIT

In accordance with Section 13(f) of the National Audit Act 2008, I am required to undertake audit of the Treasury Memoranda. During the financial year, I undertook twenty-seven (27) audits of Treasury Memoranda. These included thirteen (13) MDAs for the financial year 2019/2020, and Value for Money reports on audit of USMID in fourteen (14) Municipal Councils for the Financial Year 2015/2016.

Overall a total of 557 recommendations were made in the twenty-seven (27) Treasury Memoranda. I observed that, thirty-two percent (32%) of the recommendations were fully implemented, fifteen percent (15%) partially implemented and fifty three percent (53%) not implemented at all as summarized in the table and chart below;

Table 79: Summary of treasury memoranda implementation status

No. of Entities	No. of recommendations issued in all Treasury Memoranda audits	No. and % of recommendations implemented		No. and % of recommendations partially implemented		No. and % of recommendations not implemented	
27	557	177	32%	86	15%	294	53%



The following is a summary of the results of the Treasury Memoranda audits;

a) Report of the Auditor General on the audit of the Treasury Memorandum presented to Parliament by the Hon. Minister of Finance, Planning and Economic Development on various MDAs

Thirteen (13) Treasury Memoranda reports for the financial year 2019/20 for various entities were presented for audit. The table below provides a summary of the status of implementation of the audit recommendations in various entities including; Ministry of

Defense and Veteran Affairs, State House, the Judiciary, Uganda Police, Ministry of Internal Affairs, Ministry of Works and Transport, Ministry of Local Government, Prisons service, Ministry of Agriculture, Animal Industry and Fisheries, Ministry of Energy and Mineral Development, Ministry of Water and Environment, Ministry of Lands Housing and Urban Development and Office of the President.

Out of 145 recommendations given, 62 (43%) were fully implemented, 56 (37%) partialy implemented and 27 (19%) recommendations were not implemented. The table below refers;

Table 80: Summary of implementation of Audit recommendations in the 2019/2020 Treasury Memoranda

No.	Treasury memorandum/ Entity	No. of Recommendations issued	No. and % of recommendations implemented		No. and % of recommendations partially implemented		No. and % of recommendations not implemented	
1	Ministry of Defence and Veteran Affairs	12	8	66.7%	4	33.3%	0	0%
2	State House	9	7	77.8%	1	11.1%	1	11.1%
3	The Judiciary	10	3	30%	6	60%	1	10%
4	Uganda Police Force	16	7	43.8%	1	6.2%	8	50%
5	Ministry of Internal Affairs	8	5	62.5%	3	37.5%	0	0%
6	Ministry of Works and Transport	7	2	28.6%	1	14.3%	4	57.1%
7	Ministry of Local Government	7	2	28.6%	1	14.3%	4	57.1%
8	Uganda Prison Services	13	4	30.8%	9	69.2%	0	0%
9	Ministry of Agriculture, Animal Industry and Fisheries	10	3	30%	4	40%	3	30%
10	Ministry of Energy and Mineral Development	22	7	31.8%	12	54.6%	3	13.6%
11	Ministry of Water and Environment	10	2	20%	7	70%	1	10%
12	Ministry of Lands Housing and Urban Development	9	6	66.7%	2	22.2%	1	11.1%
13	Office of the President	12	6	50%	5	41.7%	1	8.3
	Total	**145**	**62**	**(43%)**	**56**	**(37%)**	**27**	**(19%)**

b) Treasury Memorandum report on the Value for Money audit of the Uganda Support to Municipal Infrastructure Development (USMID) Program for 2015/16

A total of fourteen (14) treasury memoranda audits on Value for Money reports of the Uganda Support to the Municipal Infrastructure Development (USMID) Program implemented in the financial year 2015/16 by 14 Local Government Municipal Councils (MC) namely; Arua, Gulu, Lira, Soroti, Moroto, Mbale, Tororo, Jinja, Entebbe, Masaka, Mbarara, Kabale, Fortportal and Hoima, were undertaken.

Out of 412 recommendations issued on audit of USMID and Non USMID projects, 115 (27.9%) recommendations were fully implemented by the Municipal Councils (MCs), while 30 (7.3%) recommendations were partially implemented and 267 (64.8%) recommendations were not implemented at all, as illustrated in the table below;

Table 81: Summary of implementation of consolidated USMID & Non-USMID Projects audit recommendations

SN	Entity	No. of recommendations issued (USMID & Non USMID)	No. and % of recommendations fully implemented		No. and % of recommendations partially implemented		No. and % of recommendations not implemented	
1	Arua Municipal Council	40	1	2.5%	0	0%	39	97.5%
2	Entebbe Municipal Council	37	13	35.1%	4	10.8%	20	54.1%
3	Fort portal Municipal Council	32	18	56.3%	5	15.6%	9	28.1%
4	Gulu Municipal Council	21	1	4.8%	0	0%	20	95.2%
5	Hoima Municipal Council	30	13	43.3%	0	0%	17	56.7%
6	Jinja Municipal Council	30	13	43.3%	4	13.3%	13	43.3%
7	Kabale Municipal Council	23	12	52.2%	2	8.7%	9	39.1%
8	Lira Municipal Council	20	4	17.4%	3	13.0%	13	56.5%
9	Masaka Municipal Council	36	10	27.8%	4	11.1%	22	61.1%
10	Mbale Municipal Council	30	5	16.7%	0	0%	25	83.3%
11	Mbarara Municipal Council	20	6	30%	3	15%	11	55%
12	Moroto Municipal Council	31	6	19.4%	0	0%	25	80.6%
13	Soroti Municipal Council	28	10	35.7%	1	3.6%	17	60.7%
14	Tororo Municipal Council	34	3	8.8%	4	11.8%	27	79.4%
	Total	**412**	**115**	**27.9%**	**30**	**7.3%**	**267**	**64.8%**

Fort Portal Municipal Council (at the time of audit) implemented the most recommendations (56.3%) compared the others, while four (4) Municipal Councils implemented none or insignificant number of recommendations for USMID projects. These include;

i) Arua MC - 0/34 recommendations,
ii) Gulu MC - 0/17 recommendations,
iii) Mbale MC - 4/20 recommendations and
iv) Moroto MC - 1/21 recommendations

The low rate of implementation of recommendations undermines efforts to strengthen accountability and service delivery.

I advised the PS/ST to institute mechanisms to ensure that Parliamentary recommendations arising from audit reports are followed up to ensure full implementation.

c) Treasury Memoranda Audits in Progress

I received the Treasury Memoranda on missions abroad and Local Governments for different financial years. By the time of reporting, the audits were in progress. The results will be included in my subsequent report. These were;

- Treasury memoranda on missions abroad from the Public Accounts Committee-Central Government, on the report of the Auditor General for the Financial Years 2013/2014, 2014/2015, 2015/2016 and 2016/2017 on the Uganda Missions Abroad.

- Treasury memoranda on Local Governments for the financial year 2016/2017 which covers 219 Local Governments; 115 districts, 41 municipal councils and 63 town councils.

APPENDICES

APPENDICES FOR LOCAL GOVERNMENT CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2022

Appendix 1 a: Wage funding and absorption

SN	Entity Name	Approved budget (UGX)	Release (UGX)	% funding	Expenditure (UGX)	Unspent balance	% absorption
1	Adjumani DLG	21,275,985,774	21,275,985,770	100%	20,628,693,548	647,292,222	97%
2	Agago DLG	23,720,090,630	23,720,090,626	100%	18,119,725,462	5,600,365,164	76%
3	Alebtong DLG	16,372,975,211	15,530,457,213	95%	14,606,498,985	923,958,228	94%
4	Amolatar DLG	13,410,143,033	13,410,143,032	100%	12,630,925,144	779,217,888	94%
5	Amudat DLG	5,277,225,121	5,288,394,151	100%	5,121,393,539	167,000,612	97%
6	Amuria DLG	14,757,617,095	14,384,377,171	97%	14,373,721,775	10,655,396	100%
7	Amuru DLG	15,808,535,680	15,808,535,679	100%	13,968,101,814	1,840,433,865	88%
8	Apac DLG	18,866,246,967	18,866,246,965	100%	16,539,304,013	2,326,942,952	88%
9	Arua DLG	17,244,231,533	17,244,231,530	100%	15,677,186,595	1,567,044,935	91%
10	Budaka DLG	17,490,877,446	17,490,877,448	100%	16,062,248,469	1,428,628,979	92%
11	Bududa DLG	19,359,133,543	18,759,133,541	97%	18,674,420,255	84,713,286	100%
12	Bugiri DLG	29,053,929,346	29,053,929,346	100%	25,818,069,854	3,235,859,492	89%
13	Bugweri DLG	12,737,248,494	12,737,248,494	100%	11,681,216,046	1,056,032,448	92%
14	BUHWEJU DLG	9,716,893,839	9,716,893,839	100%	9,716,893,839	0	100%
15	Buikwe DLG	15,050,741,512	15,050,741,510	100%	14,645,675,456	405,066,054	97%
16	BUKEDEA DLG	19,281,732,995	19,281,732,995	100%	19,253,000,000	24,994,502	100%
17	Bukomansimbi DLG	14,119,104,701	14,119,104,700	100%	12,687,928,606	1,431,176,094	90%
18	Bukwo DLG	15,078,896,089	15,078,896,088	100%	14,225,727,227	853,168,861	94%
19	Bulambuli DLG	15,914,684,784	15,914,684,784	100%	14,903,283,804	1,011,400,980	94%
20	Buliisa DLG	9,585,889,206	9,585,889,204	100%	8,479,115,922	1,106,773,282	88%
21	Bundibugyo DLG	24,037,015,266	24,036,984,522	100%	23,486,072,685	550,911,837	98%
22	Bunyangabu DLG	14,555,406,953	14,555,406,950	100%	12,485,873,507	2,069,533,443	86%
23	Bushenyi DLG	25,324,509,221	25,147,957,829	99%	24,471,900,421	676,057,408	97%
24	Busia DLG	26,272,745,135	26,202,822,541	100%	23,798,496,651	2,404,325,890	91%
25	Butaleja DLG	24,647,473,789	24,619,413,787	100%	23,119,345,643	1,500,068,144	94%
26	Butambala DLG	18,285,313,750	18,285,313,749	100%	16,064,692,206	2,220,621,543	88%
27	Butebo DLG	11,414,167,444	11,414,167,441	100%	11,000,157,979	414,009,462	96%
28	Buvuma DLG	7,786,452,209	7,786,235,982	100%	7,342,251,582	443,984,400	94%
29	Buyende DLG	14,175,712,705	14,175,712,705	100%	13,326,607,003	849,105,702	94%
30	Dokolo DLG	14,856,047,801	14,856,047,801	100%	14,856,047,801	0	100%
31	Gomba DLG	13,834,517,245	13,834,517,242	100%	12,786,005,430	1,048,511,812	92%
32	Gulu DLG	22,043,000,902	22,043,000,902	100%	16,788,060,472	5,254,940,430	76%
33	Hoima DLG	14,549,869,548	14,549,869,545	100%	14,057,752,153	492,117,392	97%
34	Ibanda DLG	16,841,659,135	16,841,659,135	100%	15,730,972,917	1,110,686,218	93%

SN	Entity Name	Approved budget (UGX)	Release (UGX)	% funding	Expenditure (UGX)	Unspent balance	% absorption
35	Iganga DLG	29,074,379,781	29,074,379,781	100%	28,220,513,692	853,866,089	97%
36	Isingiro DLG	30,141,159,255	30,141,159,255	100%	29,804,333,607	336,825,648	99%
37	Jinja DLG	28,513,734,076	28,513,734,073	100%	25,169,850,578	3,343,883,495	88%
38	KABALE DLG	30,824,816,708	30,824,816,550	100%	28,879,109,541	1,945,707,009	94%
39	Kabarole DLG	16,157,894,627	16,157,894,625	100%	13,712,299,802	2,445,594,823	85%
40	Kaberamaido DLG	11,955,658,381	11,955,658,381	100%	10,762,277,491	1,193,380,890	90%
41	Kagadi DLG	24,343,694,650	24,343,694,647	100%	19,683,167,007	4,660,527,640	81%
42	Kakumiro DLG	15,813,256,152	15,813,256,148	100%	11,717,577,177	4,095,678,971	74%
43	Kalaki DLG	9,566,417,081	9,225,181,440	96%	7,213,309,119	2,011,872,321	78%
44	Kalangala DLG	10,643,092,809	10,643,092,806	100%	10,207,542,193	435,550,613	96%
45	Kaliro DLG	21,956,704,847	21,956,704,843	100%	21,328,362,003	628,342,840	97%
46	Kalungu DLG	18,720,704,896	18,720,704,895	100%	17,540,574,068	1,180,130,827	94%
47	Kamuli DLG	38,397,491,398	38,397,491,396	100%	35,669,455,320	2,728,036,076	93%
48	Kamwenge DLG	19,311,417,326	19,311,417,322	100%	17,311,868,791	1,999,548,531	90%
49	KANUNGU DLG	29,070,210,548	29,070,209,852	100%	29,420,808,169	-350,598,317	101%
50	Kapchorwa DLG	14,390,736,339	13,880,262,907	96%	13,278,215,143	602,047,764	96%
51	Kapelebyong DLG	8,139,318,283	8,139,318,281	100%	6,182,866,152	1,956,452,129	76%
52	Kasanda DLG	15,057,562,119	15,057,562,117	100%	14,558,853,148	498,708,969	97%
53	Kasese DLG	54,343,466,569	54,343,466,567	100%	54,343,466,567	0	100%
54	Katakwi DLG	17,623,605,265	17,623,605,264	100%	17,422,018,731	201,586,533	99%
55	Kayunga DLG	29,274,333,651	29,274,333,651	100%	27,513,528,135	1,760,805,516	94%
56	Kazo DLG	11,471,775,103	11,471,775,103	100%	9,783,228,038	1,688,547,065	85%
57	Kibaale DLG	13,019,324,232	13,016,922,431	100%	11,883,756,754	1,133,165,677	91%
58	Kiboga DLG	17,469,067,253	17,469,067,252	100%	16,682,180,817	786,886,435	95%
59	Kibuku DLG	15,948,680,423	15,948,680,418	100%	15,437,732,169	510,948,249	97%
60	Kikuube DLG	13,140,576,822	13,140,576,822	100%	10,819,867,416	2,320,709,406	82%
61	Kiruhura DLG	11,796,051,122	11,796,051,119	100%	11,654,778,829	141,272,290	99%
62	Kiryandongo DLG	18,440,086,055	18,407,950,051	100%	15,811,997,552	2,595,952,499	86%
63	KISORO DLG	31,179,977,457	31,179,977,455	100%	30,425,337,300	754,640,155	98%
64	Kitagwenda DLG	10,575,233,318	10,575,233,318	100%	10,575,233,318	0	100%
65	Kitgum DLG	22,530,731,282	22,530,731,275	100%	21,938,662,396	592,068,879	97%
66	Koboko DLG	13,879,570,999	13,879,570,999	100%	13,099,661,264	779,909,735	94%
67	Kole DLG	18,103,911,681	18,103,911,681	100%	17,681,260,227	422,651,454	98%
68	Kumi DLG	19,762,519,218	19,762,519,218	100%	19,473,527,194	288,992,024	99%
69	Kwania DLG	16,533,169,230	16,533,169,229	100%	12,094,634,648	4,438,534,581	73%
70	Kween DLG	12,704,718,745	12,704,718,742	100%	12,287,976,346	416,742,396	97%
71	Kyankwanzi DLG	16,704,783,737	16,704,783,736	100%	15,699,227,921	1,005,555,815	94%
72	Kyegegwa DLG	16,292,734,365	16,292,734,364	100%	12,247,224,766	4,045,509,598	75%

SN	Entity Name	Approved budget (UGX)	Release (UGX)	% funding	Expenditure (UGX)	Unspent balance	% absorption
73	Kyenjojo DLG	23,970,046,591	23,970,046,591	100%	23,007,362,204	962,684,387	96%
74	Kyotera DLG	24,174,866,868	24,174,866,867	100%	23,356,748,155	818,118,712	97%
75	Lamwo DLG	11,984,323,910	11,984,323,907	100%	10,492,318,855	1,492,005,052	88%
76	Lira DLG	26,522,903,923	26,522,903,919	100%	21,683,419,464	4,839,484,455	82%
77	Luuka DLG	18,401,484,263	18,401,484,263	100%	17,761,693,639	639,790,624	97%
78	Luwero DLG	46,331,161,230	46,331,161,229	100%	45,710,524,143	620,637,086	99%
79	Lwengo DLG	19,333,094,646	19,333,094,645	100%	18,562,007,203	771,087,442	96%
80	Lyantonde DLG	11,184,524,017	11,184,524,016	100%	10,816,081,122	368,442,894	97%
81	Madi-Okollo DLG	11,376,849,365	11,376,849,365	100%	9,896,924,970	1,479,924,395	87%
82	Manafwa DLG	18,203,387,289	18,203,387,289	100%	17,988,140,081	215,247,208	99%
83	Maracha DLG	18,842,106,883	18,578,070,217	99%	15,856,531,167	2,721,539,050	85%
84	Masaka DLG	13,933,029,085	13,933,029,084	100%	12,830,800,908	1,102,228,176	92%
85	Masindi DLG	18,647,303,219	18,647,303,213	100%	16,785,798,709	1,861,504,504	90%
86	Mayuge DLG	27,490,915,125	27,490,915,123	100%	27,354,911,792	136,003,331	100%
87	Mbale DLG	28,632,307,089	28,438,231,917	99%	27,324,583,982	1,113,647,935	96%
88	Mbarara DLG	20,977,512,841	20,977,512,841	100%	19,932,050,137	1,045,462,704	95%
89	Mitooma DLG	19,600,888,251	19,554,840,494	100%	18,649,823,932	905,016,562	95%
90	Mityana DLG	22,321,206,446	22,321,206,442	100%	21,938,232,369	382,974,073	98%
91	Moroto DLG	9,794,417,292	9,794,417,288	100%	7,979,169,707	1,815,247,581	81%
92	Moyo DLG	15,629,773,798	15,629,773,798	100%	15,535,223,243	94,550,555	99%
93	Mpigi DLG	23,097,325,180	23,097,325,179	100%	21,998,315,683	1,099,009,496	95%
94	Mubende DLG	19,251,853,116	19,251,853,116	100%	17,886,713,055	1,365,140,061	93%
95	Mukono DLG	37,042,074,065	37,042,074,063	100%	35,762,862,411	1,279,211,652	97%
96	Nakapiripirit DLG	8,015,431,352	7,946,716,446	99%	6,737,651,892	1,209,064,554	85%
97	Nakaseke DLG	21,041,974,136	21,041,974,134	100%	21,090,108,900	-48,134,766	100%
98	Nakasongola DLG	20,337,859,061	20,324,459,060	100%	20,206,732,974	117,726,086	99%
99	Namayingo DLG	17,354,543,860	17,291,909,473	100%	15,544,560,031	1,747,349,442	90%
100	Namisindwa DLG	17,181,214,818	17,181,214,818	100%	16,646,642,549	460,470,348	97%
101	Namutumba DLG	20,495,416,909	20,495,416,909	100%	19,132,547,587	1,362,869,322	93%
102	Napak DLG	9,537,111,166	9,537,245,300	100%	8,751,352,032	785,893,268	92%
103	Nebbi DLG	22,727,411,267	22,727,411,263	100%	21,245,113,420	1,482,297,843	93%
104	Ngora DLG	12,991,399,015	12,991,399,014	100%	12,803,000,000	188,399,014	99%
105	Ntoroko DLG	14,305,648,823	14,305,648,823	100%	11,238,623,906	3,067,024,917	79%
106	Ntungamo DLG	38,932,143,477	38,932,143,477	100%	37,762,453,879	1,169,689,598	97%
107	Nwoya DLG	13,120,716,805	13,120,716,801	100%	11,441,968,812	1,678,747,989	87%
108	Obongi DLG	7,783,955,441	7,783,955,441	100%	5,870,473,221	1,913,482,220	75%
109	Omoro DLG	17,832,400,482	17,832,400,480	100%	16,596,098,934	1,236,301,546	93%
110	Otuke DLG	11,029,204,450	11,029,204,449	100%	10,970,229,597	58,974,852	99%

SN	Entity Name	Approved budget (UGX)	Release (UGX)	% funding	Expenditure (UGX)	Unspent balance	% absorption
111	Oyam DLG	28,362,194,271	28,362,194,269	100%	26,395,664,569	1,966,529,700	93%
112	Pader DLG	21,201,482,940	21,201,482,935	100%	19,918,810,401	1,282,672,534	94%
113	Pakwach DLG	13,565,531,254	13,565,531,254	100%	11,023,025,200	2,542,506,054	81%
114	Pallisa DLG	26,644,278,619	25,281,617,494	95%	24,812,457,725	469,159,769	98%
115	Rakai DLG	28,465,494,541	28,465,110,406	100%	28,461,505,553	3,604,853	100%
116	Rubanda DLG	20,962,602,894	20,956,595,340	100%	20,955,595,340	1,000,000	100%
117	RUBIRIZI DLG	12,005,850,956	11,946,770,836	100%	11,656,902,395	289,868,441	98%
118	Rukiga DLG	18,060,510,068	18,057,376,828	100%	15,787,174,089	2,270,202,739	87%
119	RUKUNGIRI DLG	34,985,836,675	34,985,836,675	100%	34,027,825,621	958,011,054	97%
120	RWAMPARA DLG	16,187,299,689	16,187,299,689	100%	12,621,237,429	3,566,062,260	78%
121	Sembabule DLG	21,119,962,052	21,119,950,222	100%	20,771,717,621	348,232,601	98%
122	Serere DLG	21,880,221,759	21,880,221,757	100%	20,701,324,032	1,178,897,725	95%
123	Sheema DLG	19,948,054,140	19,948,054,140	100%	17,873,167,111	2,074,887,029	90%
124	Sironko DLG	22,888,775,100	22,888,775,100	100%	22,881,244,332	7,530,768	100%
125	Soroti DLG	20,648,302,625	20,648,302,625	100%	18,996,422,961	1,651,879,664	92%
126	Terego DLG	17,538,401,731	17,538,401,731	100%	11,006,267,990	6,532,133,741	63%
127	Tororo DLG	42,378,183,779	40,541,864,234	96%	37,241,404,538	3,300,459,696	92%
128	Wakiso DLG	43,297,839,517	43,297,839,354	100%	42,505,215,247	792,624,107	98%
129	Yumbe DLG	26,589,448,687	26,589,448,687	100%	24,095,881,046	2,493,567,641	91%
130	Zombo DLG	18,033,649,862	18,033,649,862	100%	15,031,054,357	3,002,595,505	83%
		2,539,812,346,618	2,532,930,356,423	100%	2,356,575,342,414	176,355,014,007	93%

Appendix 1 b: Ineligible staff

SN.	Vote Name	No. of staff	Gross Amount		SN.	Vote Name	No. of staff	Gross Amount		SN.	Vote Name	No. of staff	Gross Amount
1	Abim DLG	3	63,473,760		44	Kagadi DLG	1	24,001,280		87	Madi-Okolo	1	41,098,360
2	Agago DLG	8	160,997,644		45	Kakumiro DLG	12	315,455,318		88	Manafwa DLG	2	68,063,022
3	Alebtong DLG	1	36,854,776		46	KalangalaDLG	7	337,628,327		89	Masaka DLG	5	161,333,036
4	Amolatar DLG	29	1,162,044,694		47	Kaliro DLG	2	50,196,866		90	Mayuge DLG	3	101,087,705
5	Amuria DLG	8	135,317,483		48	Kalungu DLG	2	72,964,818		91	Mbale DLG	16	522,257,654
6	Amuru DLG	4	123,939,231		49	Kamuli MC	2	167,792,420		92	Mbarara City	1	8,580,576
7	Apac DLG	2	15,816,992		50	Kanungu DLG	20	572,263,883		93	Mitooma DLG	1	9,157,676

8	Apac MC	4	72,508,691	51	Kapchorwa	1	43,463,017	94	Mityana DLG	2	80,820,392
9	Arua City	2	62,817,339	52	KapchorwaDLG	1	12,125,971	95	Moroto	1	94,312,080
10	Arua DLG	8	180,124,087	53	Kapchorwa MC	4	190,104,986	96	Moyo DLG	2	55,247,825
11	Budaka DLG	1	40,620,256	54	KapelebyongDLG	8	103,116,781	97	Mpigi DLG	23	1,071,320,831
12	Bududa DLG	4	174,251,122	55	Kasese DLG	9	226,994,729	98	Mubende Municipal	1	2,452,632
13	Bugiri DLG	2	66,332,339	56	Kasese MC	4	110,117,587	99	Mukono DLG	2	95,369,082
14	Bugiri MC	5	89,963,174	57	Kassanda DLG	5	196,849,908	100	Nakapiripiriti DLG	11	249,079,055
15	Bugweri DLG	3	119,012,668	58	Katakwi DLG	33	537,829,666	101	Nakaseke DLG	5	148,568,347
16	Buhweju DLG	2	113,980,979	59	Kayunga DLG	11	310,909,948	102	Nakasongola DLG	7	183,397,062
17	Buikwe DLG	2	87,770,347	60	Kazo DLG	2	49,564,798	103	Namisindwa DLG	1	24,691,998
18	Bukedea DLG	9	252,299,333	61	Kibaale DLG	1	33,874,924	104	Namutumba DLG	2	14,421,931
19	Bukomansimbi DLG	3	131,498,679	62	Kiboga DLG	16	691,792,382	105	Nansana Mc	1	53,681,015
20	Bukwo DLG	2	73,236,828	63	Kibuku DLG	4	115,103,028	106	Napak DLG	1	20,081,640
21	Bulambuli DLG	1	41,070,267	64	Kiira Mc	1	37,304,444	107	Ngora DLG	2	77,347,671
22	Bundibugyo DLG	1	63,229,436	65	Kiruhura DLG	2	79,651,751	108	Njeru MC	1	48,916,164
23	Bunyangabu DLG	2	19,317,012	66	Kiryandongo	1	36,466,122	109	Ntoroko DLG	1	21,155,736
24	Busia DLG	2	61,685,502	67	Kisoro DLG	3	118,349,383	110	Ntungamo DLG	3	150,663,621
25	Butaleja DLG	2	65,958,331	68	Kitagwenda DLG	4	93,688,764	111	Nwoya DLG	1	58,179,255
26	Butambala DLG	9	354,619,186	69	Kitgum DLG	4	43,977,685	112	Otuke DLG	3	100,007,444
27	Butebo DLG	14	347,336,209	70	Kitgum MC	6	102,540,009	113	Oyam DLG	2	144,554,705
28	Buvuma DLG	8	123,807,518	71	Kole DLG	1	9,810,528	114	Pakwach DLG	13	132,612,423
29	Dokolo DLG	3	124,697,144	72	Kumi DLG	2	36,082,550	115	Pallisa DLG	12	291,198,152
30	Entebbe MC	16	859,954,841	73	Kumi MC	5	117,682,728	116	Rakai DLG	11	444,695,084
31	Fort Portal City	2	63,945,860	74	Kwania DLG	2	47,978,797	117	Rubanda DLG	2	55,871,035
32	Gomba DLG	18	537,564,524	75	Kween DLG	5	192,613,790	118	Rukungiri DLG	1	37,709,817

33	Gulu City	2	98,416,284		76	Kyankwanzi DLG	12	510,599,056		119	Sembabule DLG	1	3,600,000
34	Hoima DLG	1	10,563,168		77	Kyegegwa DLG	4	65,020,108		120	Serere DLG	3	123,071,820
35	Ibanda DLG	1	37,695,953		78	Kyenjojo DLG	5	121,934,636		121	Sheema MC	1	48,579,405
36	Iganga DLG	2	77,997,424		79	Kyotera DLG	9	409,104,800		122	Sironko DLG	2	78,101,419
37	Iganga MC	3	62,514,514		80	Lamwo DLG	1	10,482,346		123	Soroti City	4	83,235,068
38	Isingiro DLG	1	54,128,401		81	Lira City	4	138,901,763		124	Soroti DLG	7	223,858,840
39	Jinja City	3	35,345,286		82	Lira DLG	6	130,107,422		125	Tororo DLG	2	82,893,177
40	Jinja DLG	3	83,733,164		83	Lugazi MC	2	88,732,373		126	Tororo MC	1	50,746,626
41	Kaabong DLG	6	53,599,604		84	Luuka DLG	1	36,512,261		127	Wakiso DLG	4	195,386,238
42	Kabale DLG	4	111,011,684		85	Luwero DLG	7	348,086,638		128	Zombo DLG	1	31,921,061
43	Kabale MC	2	67,185,245		86	Lyantonde DLG	2	57,265,549		129	Mbarara DLG	1	23,939,149
											Total	**609**	**19,026,546,948**

Appendix 1 c: <u>Overpayment of Salaries, pension and gratuity</u>

SN	Entity Name	No. of staff overpaid	Over payment of salaries - UGX	No. of pensioners overpaid	Over payment of pension - UGX	No. of pensioners overpaid gratuity	Over payment of gratuity - UGX	Total No. of staff/ pensioners	Total over payment - UGX
1	Agago DLG	267	191,196,327	15	306,013,490	10	35,293,917	292	532,503,734
2	Amolatar DLG	2	6,141,407	-	-	-	-	2	6,141,407
3	Amudat DLG	12	9,172,042	-	-	-	-	12	9,172,042
4	Amuria DLG	-	-		6,118,452	-	-	-	6,118,452
5	Amuru DLG	316	240,956,760	-	-	4	20,960,445	320	261,917,205
6	Apac DLG	305	289,606,752	21	63,719,643	13	114,019,350	339	467,345,745
7	Bududa DLG	76	4,201,863	12	3,814,906	-	-	88	8,016,769
8	Bugweri DLG	4	12,218,934	-	-	-	-	4	12,218,934
9	Buhweju DLG	3	11,632,768	-	-	-	-	3	11,632,768
10	Bukedea DLG	2	2,079,000	-	-	2	4,886,650	4	6,965,650
11	Bukwo DLG	6	5,014,787					6	5,014,787
12	Buliisa DLG	3	185,952	-	-	-	-	3	185,952
13	Bundibugyo DLG	4	2,596,174	-	-	-	-	4	2,596,174
14	Bunyangabu DLG	-	-	1	1,254,669	-	-	1	1,254,669

15	Busia DLG	-	-	6	6,106,392	-	-	6	6,106,392
16	Butaleja DLG	4	3,586,208	4	2,804,668			8	6,390,876
17	Butambala DLG	6	2,557,693	2	91,466	-	-	8	2,649,159
18	Butebo DLG	47	87,266,942	1	4,877,817			48	92,144,759
19	Dokolo DLG	5	3,056,043	3	3,264,438	-	-	8	6,320,481
20	Gomba DLG	1	956,585	-	-	-	-	1	956,585
21	Gulu DLG	-	-	1	5,146,400	-	-	1	5,146,400
22	Hoima DLG	13	6,111,973	4	915,759	-	-	17	7,027,732
23	Jinja DLG	4	2,129,357	-	-	-	-	4	2,129,357
24	Kaberamaido DLG	18	23,958,485	3	669,814	-	-	21	24,628,299
25	Kaliro DLG	135	285,976,606	32	777,616,336	-	-	167	1,063,592,942
26	Kamuli DLG	-	-	3	17,418,396	-	-	3	17,418,396
27	Kanungu DLG	4	5,717,905	-	-	-	-	4	5,717,905
28	Kapelebyong DLG	3	1,765,908	-	-	-	-	3	1,765,908
29	Kasanda DLG	27	15,293,916					27	15,293,916
30	Kasese DLG	4	698,659	-	-	-	-	4	698,659
31	Katakwi DLG	12	6,937,546	-	-	-	-	12	6,937,546
32	Kayunga DLG		723,674	-	-	-	-	-	723,674
33	Kazo DLG	6	1,799,529	1	684,126	1	26,824	8	2,510,479
34	Kibaale DLG	3	1,259,797	-	-	1	4,387,638	4	5,647,435
35	Kiboga DLG	5	2,950,495	3	740,633	-	-	8	3,691,128
36	Kikuube DLG	-	-	-	-	4	24,438,089	4	24,438,089
37	Kiryandongo DLG	32	23,496,128	-	-	-	-	32	23,496,128
38	Kitagwenda DLG	14	9,703,322	-	-	3	6,526,823	17	16,230,145
39	Koboko DLG	16	9,725,864	2	617,388	-	-	18	10,343,252
40	Kole DLG	9	10,355,488	-	-	-	-	9	10,355,488
41	Kwania DLG	31	10,998,352	11	5,999,040	-	-	42	16,997,392
42	Kyankwanzi DLG	7	5,380,630	1	1,061,078	-	-	8	6,441,708
43	Kyegegwa DLG	18	4,113,500	-	-	3	7,073,127	21	11,186,627
44	Kyenjojo DLG	5	2,915,122	1	1,441,878	-	-	6	4,357,000
45	Lamwo DLG	46	10,356,930	6	593,404	-	-	52	10,950,334
46	Lwengo DLG	2	1,203,776	-	-	-	-	2	1,203,776
47	Lyantonde DLG	14	29,361,140	-	-	-	-	14	29,361,140
48	Masindi DLG	10	5,049,517	-	-	-	-	10	5,049,517
49	Mbale DLG	-	-	1	7,004,740	4	18,675,277	5	25,680,017
50	Mbarara DLG	4	931,611					4	931,611
51	Moroto DLG	3	10,907,516	44	20,346,066	-	-	47	31,253,582
52	Mukono DLG	16	18,258,007	4	5,596,903	1	1,960,420	21	25,815,330
53	Nakapiripirit DLG	18	6,143,716	-	-	3	1,492,448	21	7,636,164

54	Nakaseke DLG	4	6,978,540	4	2,117,167	-	-	8	9,095,707
55	Nakasongola DLG	14	18,794,400	-	-	1	355,048	15	19,149,448
56	Namayingo DLG	9	2,253,878	-	-	-	-	9	2,253,878
57	Namisindwa DLG	22	23,079,544	2	8,090,403	2	9,557,304	26	40,727,251
58	Napak DLG	-	58,510,166	-	-	-	-	-	58,510,166
59	Ngora DLG	29	76,499,843					29	76,499,843
60	Ntoroko DLG	155	208,305,344	4	4,532,888	-	-	159	212,838,232
61	Ntungamo DLG	-	4,598,279	-	-	-	-	-	4,598,279
62	Omoro DLG	32	19,781,169	1	27,945,196			33	47,726,365
63	Otuke DLG	8	5,713,368	-	-	-	-	8	5,713,368
64	Oyam DLG	1	3,774,067					1	3,774,067
65	Pader DLG	8	51,073,867	-	-	1	7,023,295	9	58,097,162
66	Pakwach DLG	12	7,458,530	1	202,510	-	-	13	7,661,040
67	Pallisa DLG	40	6,800,938	9	3,627,432	-	-	49	10,428,370
68	Rubirizi DLG	1	298,134	-	-	-	-	1	298,134
69	Rwampara DLG	11	2,312,108	-	-	-	-	11	2,312,108
70	Serere DLG	171	335,083,437	-	-	-	-	171	335,083,437
71	Sironko DLG	14	3,490,982	2	842,597	-	-	16	4,333,579
72	Soroti DLG	5	3,928,822	-	-	-	-	5	3,928,822
73	Terego DLG	-	26,393,927	-	-	-	-	-	26,393,927
74	Tororo DLG	7	9,466,335	3	2,606,557	-	-	10	12,072,892
75	Yumbe DLG	-	-	-	-	9	25,364,789	9	25,364,789
		2,085	**2,261,246,384**	**208**	**1,293,882,652**	**62**	**282,041,444**	**2,355**	**3,837,170,480**

Appendix 1 d: Under payment of Salaries, pension and gratuity

SN	Entity Name	No. of staff who were underpaid	Under payment of salaries	No. of pensioners who were underpaid	Under payment of pension	No. of pensioners who were underpaid	Under payment of gratuity	Total No. of staff/pensioners who were underpaid	Under payment of salaries pension and gratuity
1	Adjumani DLG	289	338,144,717	7	31,251,071	2	107,682,956	298	477,078,744
2	Agago DLG	196	213,927,108	161	416,373,103	19	232,511,286	376	862,811,497
3	Amolatar DLG	5	12,754,770	59	88,318,430	16	79,248,632	80	180,321,832
4	Amudat DLG	7	12,933,634	-	-	-	-	7	12,933,634
5	Amuria DLG	4	5,914,978	248	93,068,807	5	176,603,659	257	275,587,444
6	Amuru DLG	81	138,033,946	5	18,120,573	8	213,327,409	94	369,481,928
7	Apac DLG	197	256,043,359	49	102,149,811	9	98,852,490	255	457,045,660
8	Arua DLG	73	90,817,463	-	-	2	60,092,237	75	150,909,700
9	Budaka DLG	8	2,805,893					8	2,805,893

SN	Entity Name	No. of staff who were underpaid	Under payment of salaries	No. of pensioners who were underpaid	Under payment of pension	No. of pensioners who were underpaid	Under payment of gratuity	Total No. of staff/pensioners who were underpaid	Under payment of salaries pension and gratuity
10	Bududa DLG	94	8,982,815	5	3,316,086	6	203,674,935	105	215,973,836
11	Bugiri DLG	-	-	10	21,022,685	3	121,501,539	13	142,524,224
12	Bugweri DLG	3	5,125,601	5	12,842,774	9	137,397,413	17	155,365,788
13	Buikwe DLG	-	-	15	26,058,557	5	177,892,183	20	203,950,740
14	Bukedea DLG	7	5,313,652	2	34,969,922	7	209,591,259	16	249,874,833
15	Bukomansimbi DLG	12	9,047,876	90	38,756,917	-	-	102	47,804,793
16	Bukwo DLG	23	35,669,357					23	35,669,357
17	Bulambuli DLG	-	-	187	71,610,435	1	23,566,380	188	95,176,815
18	Buliisa DLG	3	2,708,435	47	30,073,266	2	5,425,611	52	38,207,312
19	Bundibugyo DLG	16	9,178,494	4	6,026,349	-	-	20	15,204,843
20	Bunyangabu DLG	2	2,530,857	1	569,320	-	-	3	3,100,177
21	Bushenyi DLG	-	-	30	12,376,617	8	305,004,490	38	317,381,107
22	Busia DLG	-	-	2	1,577,517			2	1,577,517
23	Butaleja DLG	68	24,180,690	3	3,555,982			71	27,736,672
24	Butambala DLG	3	6,481,445	2	2,705,527	6	192,512,007	11	201,698,979
25	Butebo DLG	50	34,887,626	1	25,466,082	64	95,318,676	115	155,672,384
26	Buvuma DLG	4	2,230,712	14	14,964,616	-	-	18	17,195,328
27	Dokolo DLG	46	15,742,029	162	110,730,395	23	424,425,296	231	550,897,720
28	Gomba DLG	3	2,284,615	1	2,358,948	-	-	4	4,643,563
29	Gulu DLG	5	4,002,323	49	65,798,802	1	20,453,988	55	90,255,113
30	Hoima DLG	7	4,712,242	6	1,870,184	3	3,484,671	16	10,067,097
31	Ibanda DLG	-	-	-	-	1	28,231,704	1	28,231,704
32	Iganga DLG	4	3,935,595	4	2,431,370	-	-	8	6,366,965
33	Jinja DLG	-	-	27	8,998,580	13	101,566,787	40	110,565,367
34	Kabarole DLG	-	-	76	101,124,563	-	-	76	101,124,563
35	Kaberamaido DLG	-	-	18	29,363,296	-	-	18	29,363,296
36	Kagadi DLG	22	42,058,162	-	-	-	-	22	42,058,162
37	Kakumiro DLG	3	1,421,228	4	5,136,250	3	113,235,820	10	119,793,298
38	Kalaki DLG	-	-	-	-	8	326,315,306	8	326,315,306
39	Kalangala DLG	-	-	3	17,200,004	1	92,516,779	4	109,716,783
40	Kaliro DLG	78	113,866,976	126	402,997,247			204	516,864,223
41	Kalungu DLG	-	-	15	7,589,987	-	-	15	7,589,987
42	Kamuli DLG	-	-	-	-	5	149,741,260	5	149,741,260
43	Kamwenge DLG	3	187,280	-	-	6	5,293,037	9	5,480,317

SN	Entity Name	No. of staff who were underpaid	Under payment of salaries	No. of pensioners who were underpaid	Under payment of pension	No. of pensioners who were underpaid	Under payment of gratuity	Total No. of staff/pensioners who were underpaid	Under payment of salaries pension and gratuity
44	Kanungu DLG	-	-	-	-	4	263,704,899	4	263,704,899
45	Kapchorwa DLG			10	14,969,562	7	195,621,317	17	210,590,879
46	Kapelebyong DLG	2	2,307,928	-	-	5	174,436,001	7	176,743,929
47	Kasanda DLG	1	1,753,636	1	10,120,082	1	17,794,970	3	29,668,688
48	Kasese DLG	3	1,390,657	14	4,406,935	-	-	17	5,797,592
49	Katakwi DLG	54	40,907,518	48	76,443,176	15	421,214,313	117	538,565,007
50	Kayunga DLG	15	18,498,602	15	16,884,967	25	773,212,876	55	808,596,445
51	Kazo DLG	12	6,788,897	4	10,002,470	1	29,141,798	17	45,933,165
52	Kibaale DLG	-	-	258	81,164,138	10	365,675,621	268	446,839,759
53	Kiboga DLG	26	25,149,343	-	-	-	-	26	25,149,343
54	Kibuku DLG	4	3,067,412					4	3,067,412
55	Kikuube DLG	1	494,805	1	308,282	2	43,703,577	4	44,506,664
56	Kiruhura DLG	-	-	1	2,383,476	-	-	1	2,383,476
57	Kiryandongo DLG	9	4,647,021	14	15,148,551	1	74,145,857	24	93,941,429
58	Kisoro DLG	4	11,439,927	-	-	3	71,723,587	7	83,163,514
59	Kitagwenda DLG	8	6,168,285	54	56,498,685	-	-	62	62,666,970
60	Kitgum DLG	29	6,021,536	42	9,412,673	2	62,240,795	73	77,675,004
61	Koboko DLG	54	32,378,510	7	3,463,836	4	104,185,813	65	140,028,159
62	Kole DLG	-	-	15	8,887,640	19	690,555,744	34	699,443,384
63	Kumi DLG	4	3,354,732	39	28,610,769			43	31,965,501
64	Kwania DLG	36	13,882,408	38	32,191,016	5	96,640,142	79	142,713,566
65	Kween DLG	-	-	4	539,295	1	7,608,376	5	8,147,671
66	Kyankwanzi DLG	16	12,601,201	9	2,551,977	8	199,565,944	33	214,719,122
67	Kyegegwa DLG	9	2,871,067	-	-	-	-	9	2,871,067
68	Kyenjojo DLG	493	483,068,356	1	5,219,498	-	-	494	488,287,854
69	Kyotera DLG	16	9,078,536	19	56,263,454	12	524,778,525	47	590,120,515
70	Lamwo DLG	199	72,385,357	65	172,870,554	5	218,812,963	269	464,068,874
71	Lira DLG	54	87,787,056	309	474,851,062	-	-	363	562,638,118
72	Luuka DLG	-	-	-	-	1	28,119,444	1	28,119,444
73	Lwengo DLG	11	15,516,433	3	1,839,683	11	254,289,430	25	271,645,546
74	Lyantonde DLG	16	3,581,341	2	8,183,991	26	565,278,652	44	577,043,984
75	Madi-Okollo DLG	68	96,909,820	-	-	-	-	68	96,909,820
76	Manafwa DLG	13	47,240,560	18	519,091,647			31	566,332,207
77	Masindi DLG	3	1,403,523	1	2,910,457	5	98,907,353	9	103,221,333

SN	Entity Name	No. of staff who were underpaid	Under payment of salaries	No. of pensioners who were underpaid	Under payment of pension	No. of pensioners who were underpaid	Under payment of gratuity	Total No. of staff/pensioners who were underpaid	Under payment of salaries pension and gratuity
78	Mayuge DLG	9	5,117,190	35	549,849,727	-	-	44	554,966,917
79	Mbarara DLG	11	3,905,284	9	10,596,690	-	-	20	14,501,974
80	Mitooma DLG	-	-	-	98,613,476	-	-	-	98,613,476
81	Mityana DLG	-	-	13	10,042,822	-	-	13	10,042,822
82	Moroto DLG	22	19,477,973	8	125,233,020	-	-	30	144,710,993
83	Moyo DLG	8	5,309,700	-	-	-	-	8	5,309,700
84	Mpigi DLG	-	-	43	117,041,487	13	348,339,516	56	465,381,003
85	Mukono DLG	25	37,704,450	22	42,056,195	7	48,523,554	54	128,284,199
86	Nakapiripirit DLG	32	29,234,183	4	2,243,958	-	-	36	31,478,141
87	Nakaseke DLG	362	157,188,123	22	35,843,396	11	581,662,571	395	774,694,090
88	Nakasongola DLG	10	28,977,489	20	34,617,273	5	94,366,350	35	157,961,112
89	Namayingo DLG	11	1,472,229	-	-	-	-	11	1,472,229
90	Namisindwa DLG	8	18,968,499	6	15,100,565	13	248,323,808	27	282,392,872
91	Namutumba DLG	6	6,196,198	10	40,730,382	4	239,392,283	20	286,318,863
92	Napak DLG	50	94,263,918	32	416,640,546	2	47,056,178	84	557,960,642
93	Ngora DLG	70	121,306,601	145	549,800,981	145	549,800,981	360	1,220,908,563
94	Ntoroko DLG	230	318,281,939	5	2,854,253	-	-	235	321,136,192
95	Ntungamo DLG			2	6,463,912	4	184,789,280	6	191,253,192
96	Nwoya DLG	-	-	2	29,890,706	1	9,910,534	3	39,801,240
97	Omoro DLG	7	6,134,159	2	3,301,822	26	1,194,067,882	35	1,203,503,863
98	Otuke DLG	37	24,183,765	22	42,146,396	-	-	59	66,330,161
99	Oyam DLG	37	21,196,691	27	19,724,462	22	906,177,763	86	947,098,916
100	Pader DLG	-	-	1	290,625	1	9,979,858	2	10,270,483
101	Pakwach DLG	61	59,456,395	1	10,875,544	-	-	62	70,331,939
102	Pallisa DLG	29	3,611,512	16	2,657,568	-	-	45	6,269,080
103	Rakai DLG	-	-	-	-	1	9,673,288	1	9,673,288
104	Rubanda DLG	5	1,552,173	-	-	-	-	5	1,552,173
105	Rubirizi DLG	-	-	1	192,419	1	14,692,860	2	14,885,279
106	Rukiga DLG	14	20,505,827	59	36,139,199	-	-	73	56,645,026
107	Rukungiri DLG	20	11,415,980	72	63,457,909	-	-	92	74,873,889
108	Rwampara DLG	-	-	12	3,200,265	7	12,072,957	19	15,273,222
109	Sembabule DLG	-	-	153	129,347,924	2	80,197,985	155	209,545,909
110	Serere DLG	117	34,040,580	12	121,121,672	219	177,623,830	348	332,786,082
111	Sironko DLG	9	3,872,313	36	2,867,938	2	714,996	47	7,455,247

SN	Entity Name	No. of staff who were underpaid	Under payment of salaries	No. of pensioners who were underpaid	Under payment of pension	No. of pensioners who were underpaid	Under payment of gratuity	Total No. of staff/pensioners who were underpaid	Under payment of salaries pension and gratuity
112	Soroti DLG	21	15,324,596	188	140,522,267	6	23,802,065	215	179,648,928
113	Terego DLG	96	130,798,898	11	13,187,310	3	3,850,503	110	147,836,711
114	Tororo DLG	10	7,972,574	43	63,172,825	-	-	53	71,145,399
115	Wakiso DLG	-	-	-	-	15	577,145,734	15	577,145,734
116	Yumbe DLG	-	-	37	27,601,152	18	427,362,122	55	454,963,274
117	Zombo DLG	9	4,844,677	99	134,221,254	8	221,218,434	116	360,284,365
		3,802	**3,608,932,261**	**3,600**	**6,327,639,889**	**945**	**14,997,571,139**	**8,347**	**24,934,143,289**

Appendix 1 e: Payment of salary using wrong salary scales and salary steps/ levels/notches

SN	Entity Name	No. of staff paid using wrong scales	Under payment arising from wrong scales	Over payment arising from wrong scales	No. of staff paid using wrong level/notches	Under payment arising from wrong level/notches	Over payment arising from wrong level/notches
1	Agago DLG	7	253,333	17,436,731	863	169,595,207	61,164,847
2	Alebtong DLG				489	42,848,922	96,681,173
3	Amolatar DLG		5	2,114,363	-	-	-
4	Amudat DLG	-	-	-	131	8,821,147	5,465,374
5	Amuria DLG	42	3,310,908	-	-	-	-
6	Amuru DLG	4	-	7,438,884	536	94,590,275	24,633,475
7	Apac DLG	6		12,833,073	389	22,860,451	198,379,825
8	Arua DLG	-	-	-	140	31,728,599	-
9	Budaka DLG				209	8,973,673	3,088,257
10	Bududa DLG	-	-	-	460	13,060,926	5,487,101
11	Bugiri DLG	27		71,427,978	42	35,951,507	
12	Buikwe DLG	-	-	-	138	18,082,106	-
13	Bukedea DLG				362	35,722,692	40,742,603
14	Bukomansimbi DLG	-	-	-	163	2,543,387	7,883,236
15	Bukwo DLG						
16	Bulambuli DLG				261	47,362,610	10,434,972
17	Buliisa DLG	-	-	-	56	2,290,202	220,492
18	Bundibugyo DLG	-	-	-	880	27,345,851	4,937,210
19	Bunyangabu DLG	-	-	-	230	5,386,346	377,164
20	Bushenyi DLG				187	8,777,441	20,013,665

SN	Entity Name	No. of staff paid using wrong scales	Under payment arising from wrong scales	Over payment arising from wrong scales	No. of staff paid using wrong level/notches	Under payment arising from wrong level/notches	Over payment arising from wrong level/notches
21	Busia DLG	526	114,540,178		367		104,363,281
22	Butaleja DLG				49	600,770	1,496,834
23	Butambala DLG	-	-	-	330	8,631,522	8,305,699
24	Butebo DLG						
25	Buvuma DLG				82	8,899,760	
26	Buyende DLG						
27	Dokolo DLG	205	-	8,307,936	-	-	-
28	Gomba DLG	-	-	-	151	9,041,655	435,105
29	Gulu DLG				391	2,598,635	15,872,018
30	Hoima DLG	1	1,353,483	-	258	22,996,795	-
31	Ibanda DLG	-	-	-	357	40,083,283	-
32	Iganga DLG	-	-	-	47	4,299,277	-
33	Jinja DLG	-	-	-	84	6,960,776	9,343,440
34	Kabarole DLG	-	-	-	179	5,093,655	-
35	Kaberamaido DLG	-	-	-	17	1,401,733	864,048
36	Kagadi DLG	1	-	1,210,200	780	71,130,186	203,395,477
37	Kakumiro DLG	-	-	-	273	49,631,274	26,569,115
38	Kalaki DLG	-	-	-	263	41,653,446	23,948,209
39	Kalangala DLG	-	-	-	106	1,717,422	4,327,751
40	Kaliro DLG	-	-	-	70	1,403,312	40,233,766
41	Kalungu DLG	2	1,534,598	-	20	5,499,498	-
42	Kamuli DLG	78	32,076,919		103	31,056,654	
43	Kanungu DLG	-	-	-	61	19,905,739	-
44	Kapchorwa DLG				19	3,890,327	198,410
45	Kapelebyong DLG	5	4,136,458	3,288,552	-	-	-
46	Kasanda DLG				561	11,780,802	7,665,567
47	Katakwi DLG	5	3,685,562	1,284,374	25	12,662,460	4,339,693
48	Kayunga DLG	-	-	-	1,274	37,654,341	14,039,665
49	Kazo DLG	-	-	-	465	5,518,263	6,545,454
50	Kibaale DLG	-	-	-	362	20,451,084	77,187,636
51	Kiboga DLG	16	3,117,933	898,152	169	86,200,355	935,967
52	Kibuku DLG				254	56,363,333	27,254,2
53	Kikuube DLG	4	1,607,592	190,704	67	650,211	1,758,260
54	Kiryandongo DLG	-	-	-	470	4,378,478	10,968,244
55	Kitagwenda DLG	-	-	-	413	8,829,370	6,374,332

SN	Entity Name	No. of staff paid using wrong scales	Under payment arising from wrong scales	Over payment arising from wrong scales	No. of staff paid using wrong level/notches	Under payment arising from wrong level/notches	Over payment arising from wrong level/notches
56	Kitgum DLG	-	-	-	391	763,096	606,107
57	Koboko DLG	-	-	-	18	2,660,905	111,924
58	Kole DLG	-	-	-	38	496,625	1,179,765
59	Kumi DLG				46		3,071,498
60	Kwania DLG	4		6,495,660	386	33,811,755	98,064,057
61	Kween DLG	-	-	-	40	2,471,699	1,942,501
62	Kyankwanzi DLG	1	36,934		692	13,241,598	1,371,444
63	Lamwo DLG						
64	Lira DLG	41	61,153,105	2,309,916	54	6,721,709	21,187,494
65	Luuka DLG	-	-	-	533	78,856,224	-
66	Luwero DLG	84	1,192,717	58,795,487	1,021	159,782,804	37,639,077
67	Lwengo DLG	-	-	-	161	-	1,746,555
68	Lyantonde DLG	-	-	-	240	36,810,142	27,421,239
69	Madi-Okollo DLG	3	-	13,028,412	364	44,922,682	45,822,211
70	Manafwa DLG	49	2,999,221	3,992,491	39	2,326,483	17,700
71	Maracha DLG	-	-	-	456	73,736,882	30,404,695
72	Masaka DLG	-	-	-	146	19,477,354	-
73	Masindi DLG	4	5,229,989	3,909,912	518	37,616,384	102,025,875
74	Mayuge DLG	-	-	-	212	34,170,782	1,954,848
75	Mbale DLG	-	-	-	32	3,304,547	16,095,368
76	Mitooma DLG	-	-	-	82	28,040,621	-
77	Moroto DLG	-	-	-	362	36,171,133	11,516,460
78	Moyo DLG	-	-	-	258	15,445,842	21,578,973
79	Mpigi DLG	-	-	-	51	28,003,018	-
80	Mubende DLG	-	-	-	212	4,885,857	6,158,210
81	Mukono DLG	28	607,972,506	19,830,096	506	144,933,326	-
82	Nakapiripirit DLG	-	-	-	177	2,319,250	2,421,098
83	Nakaseke DLG	-	-	-	93	5,177,017	1,278,305
84	Nakasongola DLG	-	-	-	504	7,403,212	525,752
85	Namayingo DLG	-	-	-	261	45,716,806	3,392,736
86	Namisindwa DLG	-	-	-	511	9,882,656	27,680,666
87	Namutumba DLG	-	-	-	40	26,837,268	1,229,349
88	Napak DLG	-	-	-	212	28,658,716	45,396,242
89	Nebbi DLG	-	-	-	362	46,976,448	101,224,523
90	Ntoroko DLG	-	-	-	293	1,831,126	12,231,749

SN	Entity Name	No. of staff paid using wrong scales	Under payment arising from wrong scales	Over payment arising from wrong scales	No. of staff paid using wrong level/notches	Under payment arising from wrong level/notches	Over payment arising from wrong level/notches
91	Ntungamo DLG				38	77,373,232	57,891,803
92	Nwoya DLG				88	39,414,847	85,363,741
93	Obongi DLG	4	7,265,792	-	199	70,737,767	3,798,637
94	Omoro DLG	-	-	-	315	24,376,694	52,233,032
95	Otuke DLG	17	1,814,595	177,032,782	-	-	-
96	Oyam DLG	38	13,951,723	70,258,148	790	39,126,815	154,466,990
97	Pader DLG	-	-	-	391	2,317,452	191,600
98	Pakwach DLG	2	-	18,607,482	-	-	-
99	Pallisa DLG	4	584,148	3,711,420	273	6,434,068	62,905,178
100	Rukiga DLG	10	191,531	194,053	-	-	-
101	Rwampara DLG	-	-	-	443	6,307,817	5,880,119
102	Sheema DLG				74	7,495,398	14,067,459
103	Sironko DLG	10	119,920	1,980,710	453	43,856,129	58,378,657
104	Soroti DLG	7	4,261,245	3,744,507	42	16,978,770	-
105	Tororo DLG	22	12,150,421	22,627,236	588	73,940,429	199,769,615
106	Wakiso DLG	-	-	-	86	6,285,305	-
107	Yumbe DLG	7	2,265,548	14,018,628	1,115	21,182,667	17,762,314
108	Zombo DLG	-	-	-	363	76,580,061	-
		1,264	**886,806,364**	**532,949,259**	**28,172**	**2,652,787,176**	**2,386,682,931**

Appendix 1 f: Payment of deductions (LST, PAYE, UNATU, UCLA)

SN	Entity Name	Over remittance of PAYE	Under-remittance of PAYE	Over remittance of LST	Under-remittance of LST	Over remittance of loans	Under-remittance of loans	Over remittance of other payroll deductions (union and association contributions, etc)	Under-remittance of other payroll deductions (union and association contributions, etc)
1	Adjumani DLG	0	204,206,903	0	3,846,250	0	13,156,758	0	0
2	Agago DLG	0	3,772,687	0	31,521,778	0	9,547,276	0	0
3	Amolatar DLG	160,111,278	0	0	6,966,432	0	715,428	0	1,510,025
4	Apac DLG	0	525,659,888	0	39,245,725	0	124,165,139	0	0
5	Budaka DLG	41,893,449	0	3,825,000	0	17,086,910	0	674,386	0
6	Bududa DLG	20,767,556	0	0	5,389,000	6,170,615	0	0	220,684
7	Bugiri DLG	0	567,722	0	552,500	2,411,911	0	0	0
8	Bukedea DLG	0	0	0	0	0	26,395,654	0	0
9	Bukomansimbi DLG	43,797,626	0	0	5,735,149	169,091,765	0	0	11,278,906
10	Bukwo DLG	0	90,269,334	7,698,520	0	2,569,674	0	0	0
11	Bulambuli DLG	0	0	5,476,922	0	0	0	0	0
12	Bundibugyo DLG	0	0	0	0	0	0	0	1,104,012
13	Bunyangabu DLG	0	6,400,315	0	0	1,760,337	0	0	0
14	Butambala DLG	0	0	0	0	0	3,974,011	2,256,030	0
15	Butebo DLG	0	164,624,486	0	121,494,672	22,054,301	0	0	0
16	Buvuma DLG	5,868,914	0	0	4,158,192	0	978,192	0	0
17	Buyende DLG	0	152,849,891	0	102,791	0	26,888,463	0	0
18	Gomba DLG	190,320,830	0	4,387,500	0	0	8,301,783	0	6,575,433
19	Gulu DLG	0	823,501	0	2,532,500	0	15,558,712	0	10,107,854
20	Ibanda DLG	13,223,527	0	5,221,010	0	0	17,255,317	0	858,140
21	Iganga DLG	21,398,075	0	2,952,750	0	0	55,467,638	0	0
22	Kabarole DLG	0	41,280,379	0	9,188,750	0	43,056,522	0	2,492,103
23	Kaberamaido DLG	0	0	0	0	0	0	0	1,669,891
24	Kalaki DLG	0	646,070,920	0	33,333,750	0	308,716,572	0	15,098,511
25	Kaliro DLG	0	3,430,866	2,127,411,711	0	43,133,746	0	0	0
26	Kamuli DLG	0	366,965,426	6,349,338	0	0	94,946,039	0	0
27	Kamwenge DLG	0	4,349,917	0	110,000	0	0	0	0
28	Kanungu DLG	0	210,430,753	0	0	0	0	0	0
29	Kapelebyong DLG	0	40,899,302	0	722,500	0	3,219,386	0	557,851

SN	Entity Name	Over remittance of PAYE	Under-remittance of PAYE	Over remittance of LST	Under-remittance of LST	Over remittance of loans	Under-remittance of loans	Over remittance of other payroll deductions (union and association contributions, etc)	Under-remittance of other payroll deductions (union and association contributions, etc)
30	Kasanda DLG	34,238,685	0	24,351,111	0	7,421,158	0	0	0
31	Kasese DLG	50,323,268	0	1,100,000	0	1,098,637	0	0	1,569,845
32	Katakwi DLG	12,837,742	0	603,750	0	16,341,645	0	0	1,926,596
33	Kazo DLG	0	32,152,613	3,586,951	0	0	10,076,515	0	2,009,830
34	Kibuku DLG	0	0	8,708,757	0	0	0	0	0
35	Kiruhura DLG	298,848	0	0	554,772	1,713,506	0	0	0
36	Kisoro DLG	0	9,369,790	0	37,851,490	222,787,561	0	0	2,943,417
37	Kitagwenda DLG	0	119,729,596	0	31,437,519	0	51,441,866	0	1,003,508
38	Kole DLG	0	47,270,021	5,545,380	0	95,900,089	0	0	2,353,456
39	Kumi DLG	0	60,076,895	0	6,921,689	10,031,234	0	0	0
40	Kwania DLG	0	461,309,217	84,417,328	0	0	63,862,249	0	0
41	Kween DLG	0	19,361,360	2,265,000	0	0	394,808	0	0
42	Kyegegwa DLG	19,368,937	0	0	4,441,178	5,835,407	0	0	12,150
43	Kyenjojo DLG	0	222,972,734	2,929,248	0	0	15,040,370	0	0
44	Kyotera DLG	11,183,105	0	16,878,159	0	911,228	0	0	21,233,357
45	Lamwo DLG	0	202,897,742	3,912,446	0	0	39,783,714	0	2,977,389
46	Lira DLG	4,740,375	0	0	9,979,802	0	35,838,133	0	0
47	Lwengo DLG	0	3,897,903	2,257,219	0	0	0	0	1,814,311
48	Lyantonde DLG	9,114,066	0	17,038,700	0	2,200,933	0	0	16,910,573
49	Masaka DLG	0	111,063,599	5,856,750	0	0	67,372,131	0	11,822,336
50	Mayuge DLG	0	13,674,418	1,412,418	0	0	1,572,530	0	0
51	Mitooma DLG	0	0	0	0	0	0	0	4,606,474
52	Mityana DLG	0	58,348,383	0	0	0	0	0	0
53	Moroto DLG	128,227,013	0	3,631,020	0	4,811,416	0	0	0
54	Mukono DLG	0	274,009,652	0	8,126,880	0	12,562,585	0	1,317,586
55	Nakapiripirit DLG	0	3,299,655	0	155,296	0	18,234,095	0	134,514
56	Nakaseke DLG	0	428,478,570	0	22,952,500	0	453,160,665	0	1,729,595
57	Nakasongola DLG	0	199,410,841	1,058,032	0	0	80,805,484	0	549,352
58	Namayingo DLG	0	6,818,328	0	2,732,500	0	7,018,008	0	0
59	Namutumba DLG	0	11,184,353	675,656	0	0	940,502	0	0
60	Napak DLG	0	35,976,122	0	10,703,165	0	11,705,036	9,169,174	0

SN	Entity Name	Over remittance of PAYE	Under-remittance of PAYE	Over remittance of LST	Under-remittance of LST	Over remittance of loans	Under-remittance of loans	Over remittance of other payroll deductions (union and association contributions, etc)	Under-remittance of other payroll deductions (union and association contributions, etc)
61	Ntoroko DLG	0	611,258,653	0	17,196,250	984,148	0	0	2,901,697
62	Oyam DLG	0	7,341,501	1,897,741	0	0	658,667	0	179,356
63	Pader DLG	213,984,251	0	217,100,724	0	19,552,928	0	0	15,257,249
64	Rakai DLG	0	0	0	0	2,536,235	0	0	1,608,550
65	Rubanda DLG	0	0	0	17,861,661	0	0	0	0
66	Rukiga DLG	0	0	0	0	2,257,887	0	0	294,312
67	Rukungiri DLG	0	3,124,470	1,688,711	0	35,109,885	0	2,670,980	0
68	Rwampara DLG	0	6,915,972	0	1,923,750	0	226,769	0	17,655,816
69	Serere DLG	101,394,233	0	0	5,322,470	47,580,981	0	2,467,232	0
70	Sheema DLG	0	224,393,404	0	0	0	0	0	0
71	Sironko DLG	0	692,077	0	411,656	119,713	0	0	133,946
72	Soroti DLG	206,660,833	0	0	1,309,602	0	1,638,969	76,565	0
73	Terego DLG	0	36,952,586	0	10,662,940	29,011,783	0	296,047	0
74	Zombo DLG	212,128,102	0	24,464,077	0	132,200,831	0	7,960,021	0
	Total	**1,501,880,713**	**5,470,375,842**	**2,583,748,085**	**451,598,859**	**902,686,464**	**1,611,519,228**	**25,570,435**	**164,418,625**

Appendix 1 g: <u>Non deduction of PAYE from Political leaders' and Commissioners' gratuity</u>

SN	Entity Name	No. of political leaders and commissioners not subjected to PAYE	Amount of DPOL and DSC gratuity not subject to PAYE	PAYE not deducted	No. of political leaders and commissioners not subjected to PAYE on IPPS but deducted and remitted off the payroll	Amount of DPOL and DSC gratuity not subject to PAYE on IPPS but deducted and remitted off the payroll	PAYE deducted and remitted off the payroll
1	Alebtong DLG	19	40,687,200	13,300,960	0	0	0
2	Amolatar DLG	0	0	0		38,469,600	10,917,729
3	Amudat DLG	0	21,710,400	7,772,520	0	0	0
4	Amuria DLG	0	0	0	0	12,723,997	12,723,997
5	Amuru DLG	0	42,540,000	11,911,080	0	0	0
6	Arua DLG	0	6,178,846	1,853,653	0	0	0
7	Budaka DLG	0			19	3,845,140	3,583,813
8	Bududa DLG	0	45,511,200	13,562,160	0	0	0
9	Bukedea DLG	23	44,402,400	13,709,520	0	0	0
10	Bukomansimbi DLG	0	0	0	15	39,268,846	11,196,171
11	Buliisa DLG	0	35,503,200	10,745,760	0	0	0
12	Butebo DLG	12	37,808,861	10,819,458	0	0	0
13	Dokolo DLG	0	27,409,800	7,815,060	0	0	0
14	Hoima DLG	0	37,758,046	11,329,114	0	0	0
15	Kagadi DLG	0	71,100,000	20,757,360	0	0	0
16	Kakumiro DLG	0	63,930,046	19,273,814	0	0	0
17	Kalaki DLG	17	41,105,630	12,540,089	0	0	0
18	Kalangala DLG	0	38,715,646	11,264,534	0	0	0
19	Kaliro DLG	13	33,682,846	10,205,854	0	0	0
20	Kanungu DLG	1	5,603,200	899,550	0	0	0
21	Kapelebyong DLG	0	0	0	0	42,784,800	14,350,840
22	Kasese DLG	1	1,837,200	106,200	0	0	0
23	Katakwi DLG	26	55,030,846	16,604,054	0	0	0
24	Kibaale DLG	4	36,656,860	2,471,538	2	10,000,000	560,000
25	Kiboga DLG	0	36,656,860	2,471,538	0	0	0
26	Kibuku DLG	0	51,157,661	15,442,098	0	0	0
27	Kiruhura DLG	0	40,775,260	14,181,682	0	0	0
28	Kween DLG	1	4,119,230	1,235,769	0	0	0
29	Kyankwanzi DLG	24	53,959,646	7,884,694	0	0	0
30	Kyegegwa DLG	0	51,157,661	15,344,098	0	0	0
31	Kyenjojo DLG	2	3,715,200	1,114,560	0	0	0

32	Lyantonde DLG	7	13,018,800	1,383,330	0	0	0
33	Madi0Okollo DLG	0	0	0	14	35,914,846	3,465,801
34	Maracha DLG	0	74,312,446	2,233,558	0	0	0
35	Mayuge DLG	0	35,503,200	6,674,560	0	0	0
36	Mbarara DLG	0	13,429,246	3,583,813	0	0	0
37	Mityana DLG	7	11,505,600	1,546,800	0	0	0
38	Moroto DLG	0	0	0	0	46,708,060	14,107,218
39	Mpigi DLG	0	45,037,245	20,555,147	0	0	0
40	Mukono DLG	23	36,656,860	2,471,538	0	0	0
41	Nakapiripirit DLG	0	4,119,230	1,652,673	0	0	0
42	Nakaseke DLG	0	0	14,903,640	0	0	0
43	Namutumba DLG	1	6,178,846	1,951,654	0	0	0
44	Ngora DLG	1	6,178,846	1,436,749	0	0	0
45	Obongi DLG	0	37,918,984	11,271,395	0	0	0
46	Pallisa DLG	0	30,701,600	7,763,210	0	0	0
47	Rubirizi DLG	17	39,476,400	11,808,720	0	0	0
48	Serere DLG	0	0	0	0	209,789,813	41,534,545
49	Sheema DLG	1	3,330,400	901,120	0	0	0
50	Soroti DLG	19	46,131,646	12,082,340	0	0	0
51	Yumbe DLG	0	20,560,702	6,262,010	0	0	0
	Total	219	1,352,773,796	363,098,974	50	439,505,102	112,440,114

Appendix 1 h: <u>Inaccurate computation of pension and gratuity</u>

SN	Entity Name	No. of pensioners with inaccurate computation of gratuity	Under payment arising from inaccurate computation of gratuity	Over payment arising from inaccurate computation of gratuity	No. of pensioners with inaccurate computation of pension	Under payment arising from inaccurate computation of pension	Over payment arising from inaccurate computation of pension
1	Adjumani DLG	2	1,257,342	3,528,740	0	0	0
2	Apac DLG	1	0	31,990,188	0	0	0
3	Arua DLG	7	13,712,209	19,986,825	12	2,228,079	3,186,751
4	Bududa DLG	7	2,893,388	0	16	189,197	1,102,663
5	Bugiri DLG	5	66,275,774	32,300,364	3	797,536	5,891,178
6	Bugweri DLG	5	21,597,796	288,000	0	0	0
7	Bukomansimbi DLG	1	2,073,619	3,769,815	1	23,040	41,887
8	Bukwo DLG	1	0	876,008	1	0	537,813
9	Buliisa DLG	2	5,807,914	0	2	45,477	0
10	Gulu DLG	3	2,325,648	1,411,474	2	0	8,172,877

11	Katakwi DLG	7	22,571,164	20,949,565	7	2,175,600	0
12	Kiboga DLG	4	1,893,498	0	4	326,173	0
13	Kikuube DLG	5	7,908,859	24,438,088	6	88,634	256,233
14	Kiryandongo DLG	12	37,442,310	5,990,065	1	269,741	0
15	Kitgum DLG	6	2,976,777	0	3	167,283	0
16	Koboko DLG	6	4,509,870	1,189,700	0	0	0
17	Kyankwanzi DLG	5	0	472,181	0	0	0
18	Kyotera DLG	14	4,796,691	631,238	20	26,431,230	3,361,191
19	Lamwo DLG	2	4,550,166	1,302,142	2	1,245,660	0
20	Lwengo DLG	8	776,331	2,430,141	8	105,051	512,757
21	Lyantonde DLG	1	2,262,466	0	1	50,278	0
22	Madi0Okollo DLG	3	0	1,729,513	2	0	2,269,386
23	Masindi DLG	20	55,896,349	23,011,404	21	628,379	255,682
24	Mubende DLG	4	59,371,898	0	5	24,832,927	0
25	Mukono DLG	17	54,884,324	49,065,820	0	0	0
26	Namisindwa DLG	28	13,563,515	2,319,952	28	395,935	420,120
27	Namutumba DLG	3	0	14,892,594	2	0	157,645
28	Napak DLG	2	349,287	8,902,518	0	0	0
29	Omoro DLG	11	9,599,685	2,008,334	11	106,664	22,315
30	Pakwach DLG	3	7,664,267	5,567,181	3	84,252	4,024,152
31	Pallisa DLG	5	1,062,400	1,486,749	5	613,916	11,804
32	Rubirizi DLG	1	21,904,611	0	4	875,070	0
33	Sironko DLG	8	2,781,855	632,440	9	182,918	2,180,651
34	Terego DLG	3	3,850,502	0	3	79,460	0
35	Tororo DLG	2	0	9,346,921	19	0	21,257,937
36	Wakiso DLG	1	53,862	0	0	0	0
37	Yumbe DLG	7	6,056,595	5,945,586	0	0	0
	Total	**222**	**442,670,972**	**276,463,546**	**201**	**61,942,500**	**53,663,042**

Appendix 1 i: Delayed access and removal

SN	Entity Name	No. of staff who delayed to access payroll	Average delays to access the wage payroll (months)	No. of staff with outstanding payments by end of FY arising from delayed access by newly recruited/ transferred staff	Amount outstanding arising from delayed access by newly recruited/transferred staff	No. of pensioners /beneficiaries who delayed to access payroll	Average delays to access the pension payroll (months)	No. of pensioners/beneficiaries with outstanding payments by end of FY	Amount outstanding arising from delayed access by pensioners/beneficiaries	No. of staff who delayed to be removed from the payroll	Average delays to leave the wage payroll (months)	Amount paid to employees after expected date of removal
1	Adjumani DLG	75		11	41,825,767	5	0	5	191,552,907	0	0	0
2	Agago DLG	29	3	0	0	9	51	1	6,535,930	8	7	14,470,403
3	Alebtong DLG	17	4	14	13,229,127	2	5	2	2,705,671	1	3	2,823,002
4	Amolatar DLG	9	1	9	15,213,034	6	1	6	17,112,541	8	4	7,063,729
5	Amudat DLG	10	2	3	919,776	1	24	1	2,266,678	9	11	6,123,981
6	Amuria DLG	54	12	0	0	7	3	7	7,014,100	4	7	17,539,906
7	Amuru DLG	11	3	0	0	39	6	34		15	24	36,600,909
8	Apac DLG	66	4	8	35,473,604	10	5	10	19,479,285	12	8	30,004,274
9	Arua DLG	4	3	0	0	15	110	21	133,398,427	0	0	0
10	Budaka DLG	0	0	0	0	8	1	8	9,144,554	4		3,606,481
11	Bududa DLG	40	3	0	0	39	25	0	0	0	0	0
12	Bugiri DLG	28	1	0	0	24	2	6	15,006,365	16	2	16,746,826
13	Bugweri DLG	0	0	0	0	10	3	10	3,293,092	20	3	20,180,820
14	Buikwe DLG	4	4	2	811,412	9	4	0	0	4	3	3,108,770
15	Bukedea DLG	88	2	7	1,056,509	14	10	7	26,002,978	4	4	6,249,830
16	Bukomansimbi DLG	0	0	11	6,341,595	9	8	0	0	1	1	328,631
17	Bulambuli DLG	23	2	0	0	17	1	0	0	2	2	1,890,278
18	Buliisa DLG	5	0	5	2,571,831	4	3	5	9,344,438	0	0	0
19	Bundibugyo DLG	0	0	0	0	4	14	0	0	7	3	5,807,914
20	Bunyangabu DLG	4	3	1	384,294	8	1	0	0	1	1	350,258
21	Bushenyi DLG	10	2	6	10,499,223	3	2	3	3,463,621	5	3	4,899,863
22	Busia DLG	65	10	0	0	28	10	20	16,939,486	19	12	25,074,073
23	Butaleja DLG	25	1							3	6	1,856,100
24	Butambala DLG	7	3	0	0	0	0	0	0	3	6	2,247,315
25	Butebo DLG	27	7	0	0	8	2	0	0	15	2	15,180,497

SN	Entity Name	No. of staff who delayed to access payroll	Average delays to access the wage payroll (months)	No. of staff with outstanding payments by end of FY arising from delayed access by newly recruited/ transferred staff	Amount outstanding arising from delayed access by newly recruited/transferred staff	No. of pensioners /beneficiaries who delayed to access payroll	Average delays to access the pension payroll (months)	No. of pensioners/beneficiaries with outstanding payments by end of FY	Amount outstanding arising from delayed access by pensioners/beneficiaries	No. of staff who delayed to be removed from the payroll	Average delays to leave the wage payroll (months)	Amount paid to employees after expected date of removal
26	Buvuma DLG	28	2	0	0	0	0	0	0	3	2	2,108,118
27	Buyende DLG	9	3	8	15,530,331	16	4	16	12,408,972			
28	Dokolo DLG	2	9	0	0	9	8	0	0	5	2	4,038,474
29	Gomba DLG	28	2	11	16,039,658	4	16	0	0	2	5	4,191,898
30	Gulu DLG	0	0	0	0	0	0	0	0	5	5	8,073,588
31	Hoima DLG	12	4	8	4,353,766	18	65	12	16,610,474	9	1	5,407,462
32	Ibanda DLG	0	0	0	0	8	7	0	0	2	2	2,667,772
33	Iganga DLG	47	2	46	29,675,874	6	3	6	8,900,893	4	2	1,828,155
34	Jinja DLG	29	3	0	0	24	5			4	1	2,207,975
35	Kabale DLG	124	2	0	0	7	1	1	2,297,466	4	4	9,871,509
36	Kabarole DLG	10	2	0	0	1	1	0	0	3	1	702,856
37	Kaberamaido DLG	172	3	12	52,473,454	10	10	10	297,871	2	1	2,773,761
38	Kagadi DLG	105	0	0	0	10	4	3	942,137	20	5	34,895,609
39	Kakumiro DLG	12	3	66	74,033,793	4	3	5	3,443,014	12	10	15,518,066
40	Kalaki DLG	20	1	0	0	1	17	0	0	1	11	1,199,736
41	Kalangala DLG	16	1	16	30,122,334	3	13	0	0	0	0	0
42	Kaliro DLG	43	4	0	0	11	5	0	0	6	3	11,466,319
43	Kalungu DLG	15	1	0	0	5	26	0	0	0	0	0
44	Kamuli DLG	28	4	8	5,352,558	22	1	22	4,159,714			
45	Kamwenge DLG	72	1	3	2,732,041	6	2	6	5,744,846	5	2	6,125,172
46	Kanungu DLG	12	3	12	5,430,339	8	5	0	0	4	3	4,936,460
47	Kapchorwa DLG					17		17	25,082,986	5		2,578,750
48	Kapelebyong DLG	2	5	2	3,155,787	6	2	3	15,984,791	3	1	1,814,999
49	Kasanda DLG	9	1			9	1	0	0	8	3	10,652,062
50	Kasese DLG	10	2	10	11,596,763	7	2	3	2,658,026	4	2	6,663,973
51	Katakwi DLG	9	7	4	42,998,527	12	5	8	6,381,807	0	0	0

SN	Entity Name	No. of staff who delayed to access payroll	Average delays to access the wage payroll (months)	No. of staff with outstanding payments by end of FY arising from delayed access by newly recruited/ transferred staff	Amount outstanding arising from delayed access by newly recruited/transferred staff	No. of pensioners /beneficiaries who delayed to access payroll	Average delays to access the pension payroll (months)	No. of pensioners/beneficiaries with outstanding payments by end of FY	Amount outstanding arising from delayed access by pensioners/beneficiaries	No. of staff who delayed to be removed from the payroll	Average delays to leave the wage payroll (months)	Amount paid to employees after expected date of removal
52	Kayunga DLG	72	2	66	76,089,749	7	2	5	17,946,110	7	4	11,937,661
53	Kazo DLG	0	0	0	0	5	5	5	16,277,128	15	14	10,007,528
54	Kibaale DLG	80	2	11	11,596,763	8	2	8	9,249,075	8	4	6,123,981
55	Kiboga DLG	12	7	8	17,227,243	5	5	2	1,544,932	5	2	5,318,049
56	Kibuku DLG	17	4			4	2	0	0	5	4	9,783,264
57	Kikuube DLG	24	9	25	55,489,300	10	6	6	4,109,070	17	6	16,421,978
58	Kiruhura DLG	44	3	9	12,186,896	5	14	0	0	0	0	0
59	Kiryandongo DLG	5	0	5	6,716,685	17	1	10	65,703,667	9	3	13,937,711
60	Kisoro DLG	19	5	0	0	5	3	0	0	3	5	6,101,105
61	Kitagwenda DLG	4	2	3	11,369,295	5	1	0	0	0	0	0
62	Kitgum DLG	34	0	0	0	2	1	0	2,460,449	2	1	1,054,211
63	Koboko DLG	44	2	35	49,045,202	0	0	0	0	5	3	5,976,116
64	Kole DLG	0	0	0	0	7	2	0	0	1	12	1,954,864
65	Kumi DLG	451	10	0	0	3	10	0	0	8	12	15,715,785
66	Kwania DLG	27	1	26	34,431,052	8	0	0	0	3	5	7,305,327
67	Kween DLG	0	0	0	0	4	3	0	0	1	2	359,225
68	Kyankwanzi DLG	144	3	121	255,016,293	8	2	16	6,007,295	20	4	25,623,734
69	Kyegegwa DLG	150	1	150	74,952,600	6	2	2	2,341,518	5	2	5,417,265
70	Kyenjojo DLG	1	6	1	4,545,328	7	3	7	4,114,211	0	0	0
71	Kyotera DLG	8	3	1	4,621,212	2	1	0	0	0	0	0
72	Lamwo DLG	15	1	11	6,716,685	3	0	0	0	2	3	3,573,149
73	Lira DLG	0	0	0	0	8	1	8	26,444,576	10	4	16,067,592
74	Luuka DLG	0	0	0	0	1	1	0	2,342,700	5	3	6,852,439
75	Luwero DLG	80	2	15	71,933,587	8	3	10	12,959,364	7	5	12,799,031
76	Lwengo DLG	85	3	13	27,770,510	8	5	8	9,389,047	4	3	3,036,979
77	Lyantonde DLG	8	3	7	7,228,968	21	36	21	144,602,074	22	16	42,805,698

SN	Entity Name	No. of staff who delayed to access payroll	Average delays to access the wage payroll (months)	No. of staff with outstanding payments by end of FY arising from delayed access by newly recruited/ transferred staff	Amount outstanding arising from delayed access by newly recruited/transferred staff	No. of pensioners /beneficiaries who delayed to access payroll	Average delays to access the pension payroll (months)	No. of pensioners/beneficiaries with outstanding payments by end of FY	Amount outstanding arising from delayed access by pensioners/beneficiaries	No. of staff who delayed to be removed from the payroll	Average delays to leave the wage payroll (months)	Amount paid to employees after expected date of removal
78	Madi-Okollo DLG	45	1	11	12,702,348	8	31	11	21,597,119	16	16	6,109,572
79	Manafwa DLG	0	0	0	0	19	0	19	76,387,354	4	0	6,670,233
80	Maracha DLG	77	3	67	57,832,046	0	0	0	0	0	0	0
81	Masaka DLG	0	0	0	0	3	3	0	0	0	0	0
82	Masindi DLG	17	10	12	18,537,950	19	55	4	26,034,565	12	2	1,260,420
83	Mayuge DLG	56	2	0	0	15	10	0	0	5	1	2,996,268
84	Mbale DLG	19	4	19	43,972,694	0	0	0	0	18	4	24,881,192
85	Mbarara DLG	35	4	28	35,938,827	3	4	3	31,485,033	3	0	3,560,705
86	Mitooma DLG	11	3	13	52,189,312	8	2	6	14,518,516	6	2	2,282,431
87	Mityana DLG	91	4	2	7,005,762	8	4		15,588,842	8	12	18,426,582
88	Moroto DLG	6	1	0	0	0	0	0	0	12	7	5,757,367
89	Moyo DLG	21	4	13	28,938,420	5	3	8	5,504,882	0	0	0
90	Mpigi DLG	21	2	4	4,306,754	16	1	9	4,812,599	2	1	938,781
91	Mubende DLG	20	3	8	13,428,190	22	25	0	0	0	0	0
92	Mukono DLG	16	3	15	37,002,744	8	2	8	28,274,618	12	6	24,466,376
93	Nakapiripirit DLG	7	6	0	0	0	0	0	0	0	0	0
94	Nakaseke DLG	16	2	0	0	0	0	0	0	9	9	32,768,000
95	Nakasongola DLG	13	1	13	3,272,106	3	15	3	5,179,639	3	1	2,025,509
96	Namayingo DLG	65	4	0	0	12	4	0	0	4	4	2,239,481
97	Namisindwa DLG	49	2	0	0	0	0	0	0	7	6	9,616,642
98	Namutumba DLG	133	4	103	149,303,319	11	10	0	0	9	5	8,093,192
99	Napak DLG	29	5	46	99,440,472	2	2	0	0	2	2	4,065,777
100	Nebbi DLG	4	3		0	0	0	0	0	21	14	17,348,048
101	Ngora DLG	44	3	58	367,171,329	8	4	12	21,907,261	13	5	15,468,299
102	Ntoroko DLG	0	0	0	0	3	0	0	0	3	2	4,571,292
103	Ntungamo DLG	14	2	3	0	1	3	0	0	7	10	11,455,693

SN	Entity Name	No. of staff who delayed to access payroll	Average delays to access the wage payroll (months)	No. of staff with outstanding payments by end of FY arising from delayed access by newly recruited/ transferred staff	Amount outstanding arising from delayed access by newly recruited/transferred staff	No. of pensioners /beneficiaries who delayed to access payroll	Average delays to access the pension payroll (months)	No. of pensioners/beneficiaries with outstanding payments by end of FY	Amount outstanding arising from delayed access by pensioners/beneficiaries	No. of staff who delayed to be removed from the payroll	Average delays to leave the wage payroll (months)	Amount paid to employees after expected date of removal
104	Obongi DLG	46	7	0	0	0	0	0	0	6	11	18,684,675
105	Omoro DLG	56	3	7	12,126,304	7	4	7	6,243,922	18		54,558,940
106	Otuke DLG	13	4	1	1,507,337	4	27	4	34,075,924	13	4	31,399,188
107	Oyam DLG	46	1	21	59,225,548	38	0	0	14,521,285	40	6	64,329,568
108	Pader DLG	9	1	0	0	0	0	0	0	0	0	0
109	Pakwach DLG	115	4	71	131,591,923	9	24	9	48,149,403	3	8	6,605,233
110	Pallisa DLG	4	4	0	0	0	0	0	0	0	0	0
111	Rakai DLG	3	3	3	2,178,361	0	0	0	0	0	0	0
112	Rubanda DLG	0	0	0	0	0	0	0	0	14	2	5,618,632
113	Rubirizi DLG	31	3	30	51,450,614	2	4	3	2,059,373	8	4	5,479,020
114	Rukiga DLG	129	5	129	43,590,726	15	5	2	3,032,050	11	4	25,295,745
115	Rukungiri DLG	7	2	7	10,733,102	6	5	0	0	5	6	11,112,276
116	Rwampara DLG	2	3	3	6,082,931	0	0	0	0	3	2	3,911,449
117	Serere DLG	147	5	147	74,269,549	29	8	29	67,196,981	0	0	0
118	Sheema DLG	2	2	0	0	20	5	11	4,792,068	11	2	7,386,095
119	Sironko DLG	0	0	0	0	3	12	0	0	3	1	8,058,192
120	Soroti DLG	0	0	0	0	11	12	11	25,842,175	0	0	0
121	Terego DLG	5	2	0	0	11	4	11	13,187,310	10		16,208,269
122	Tororo DLG	30	2		34,148,408	0	0	0	0	18	6	6,193,537
123	Wakiso DLG	15	1	0	0	7	3	0	0	8	2	3,075,280
124	Yumbe DLG	123	3	112	203,440,332	0	0	0	0	0	0	0
125	Zombo DLG	10	2	10	92,374,336	13	1	13	16,684,152	12	4	8,511,386
	Total	**4,34**		**1,746**	**2,802,520,509**	**1,019**		**549**	**1,380,739,357**	**795**		**1,071,478,611**

Appendix 1 j: Inconsistency between IPPS and interface files, and payments of salaries, pension & gratuity off the IPPS

SN	Entity Name	No. of staff with inconsistency between Interface files and payroll	Variance arising from with inconsistency between Interface files and payroll	No. of pensioners with inconsistency between Interface files and payroll	Variance arising from inconsistency between Interface files and payroll	Total	No. of staff paid salaries off the IPPS payroll	Amount of salary paid Off IPPS payroll	No. of pensioners paid off the IPPS payroll	Amount of pension paid off the IPPS
1	Adjumani DLG	0	48,868,938	0	0	48,868,938	15	64,220,789	0	0
2	Agago DLG	0	315,536,779	0	0	315,536,779	0	0	0	0
3	Alebtong DLG	741	106,765,184	0	0	106,765,184	54	82,027,053	5	7,859,528
4	Amolatar DLG	287	279,764,741	3	18,104,073	297,868,814	0	0	0	0
5	Amudat DLG	0	23,329,234	0	0	23,329,234	0	0	0	0
6	Amuria DLG	0	17,584,950	0	0	17,584,950	2	3,881,202	0	0
7	Amuru DLG	0	492,005,340	0	0	492,005,340	2	2,818,660	0	0
8	Apac DLG	0	5,910,650,619	0	0	5,910,650,619	21	21,042,185	87	1,383,917,393
9	Arua DLG	0	405,643,886	0	0	405,643,886	11	6,563,331	0	0
10	Budaka DLG	74	156,961,189	0	0	156,961,189	0	0	0	0
11	Bududa DLG	915	40,176,917	0	0	40,176,917	5	15,316,264	4	69,580,342
12	Bugiri DLG	0	8,829,021	0	0	8,829,021	28	28,158,449	124	2,400,610,261
13	Bugweri DLG	0	61,084,198	0	0	61,084,198	20	75,192,815	0	0
14	Buhweju DLG	0	0	0	0	0	0	0	0	0
15	Buikwe DLG	0	0	0	0	0	0	0	0	0
16	Bukedea DLG	52	19,611,204	0	0	19,611,204	0	0	0	0
17	Bukomansimbi DLG	24	22,275,218	0	0	22,275,218	11	8,866,160	0	0
18	Bukwo DLG	27	877,935,066	0	0	877,935,066	0	0	0	0
19	Bulambuli DLG	87	69,831,190	0	0	69,831,190	0	0	0	0
20	Buliisa DLG	0	0	0	0	0	0	0	0	0
21	Bundibugyo DLG	2	1,496,152	0	0	1,496,152	2	13,060,168	0	0
22	Bunyangabu DLG	45	28,750,721	0	0	28,750,721	0	0	1	37,640,083
23	Bushenyi DLG	0	0	0	0	0	0	0	0	0
24	Busia DLG	0	0	0	0	0	0	0	0	0
25	Butaleja DLG	0	77,519,017	0	0	77,519,017	0	0	0	0
26	Butambala DLG	0	0	0	0	0	21	30,580,297	0	0
27	Butebo DLG	0	0	0	0	0	0	0	3	140,209,245
28	Buvuma DLG	0	4,095,171	0	0	4,095,171	5	11,209,358	0	0
29	Buyende DLG	0	900,284,210	0	0	900,284,210	12	4,784,979	4	86,680,635

SN	Entity Name	No. of staff with inconsistency between Interface files and payroll	Variance arising from with inconsistency between Interface files and payroll	No. of pensioners with inconsistency between Interface files and payroll	Variance arising from inconsistency between Interface files and payroll	Total	No. of staff paid salaries off the IPPS payroll	Amount of salary paid Off IPPS payroll	No. of pensioners paid off the IPPS payroll	Amount of pension paid off the IPPS
30	Dokolo DLG	0	33,538,246	0	0	33,538,246	0	39,743,888	0	0
31	Gomba DLG	113	67,116,273	0	0	67,116,273	19	16,402,119	0	0
32	Gulu DLG	90	46,184,245	0	0	46,184,245	2	9,672,498	2	4,235,861
33	Hoima DLG	0	5,871,166	0	0	5,871,166	0	0	3	12,769,046
34	Ibanda DLG	637	209,039,360	0	0	209,039,360	0	0	0	0
35	Iganga DLG	0	310,497,898	0	0	310,497,898	9	34,131,042	0	0
36	Isingiro DLG	0	0	0	0	0	0	0	0	0
37	Jinja DLG	0	26,188,297	0	0	26,188,297	124	97,179,676	19	622,311,870
38	Kabale DLG	755	361,856,390	0	0	0	0	0	224	64,062,664
39	Kabarole DLG	649	307,979,582	0	0	307,979,582	0	0	8	170,678,575
40	Kaberamaido DLG	166	104,547,107	0	0	104,547,107	51	352,199,949	6	79,689,822
41	Kagadi DLG	0	43,887,232	0	0	43,887,232	0	0	0	0
42	Kakumiro DLG	0	195,408,985	0	0	195,408,985	0	0	0	0
43	Kalaki DLG	799	419,178,424	0	0	419,178,424	0	0	0	0
44	Kalangala DLG	192	58,921,568	0	0	58,921,568	0	0	0	0
45	Kaliro DLG	0	250,589,367	0	0	250,589,367	22	25,525,942	75	409,572,786
46	Kalungu DLG	65	43,889,453	0	0	43,889,453	0	0	0	0
47	Kamuli DLG	0	928,799,558	0	0	928,799,558	732	328,067,291	18	506,311,340
48	Kamwenge DLG	37	48,750,503	0	0	48,750,503	4	13,441,925	8	7,114,189
49	Kanungu DLG	0	0	0	0	0	0	0	0	0
50	Kapchorwa DLG	0	128,437,788	0	0	128,437,788	1	1,255,448	0	0
51	Kapelebyong DLG	0	58,144,603	0	7,011,601	65,156,204	0	0	0	0
52	Kasanda DLG	0	78,579,617	0	0	78,579,617	0	0	39	45,710,683
53	Kasese DLG	15	9,102,793	0	0	9,102,793	0	0	0	0
54	Katakwi DLG	20	11,117,891	22	450,074,788	461,192,679	0	0	0	0
55	Kayunga DLG	70	159,095,193	0	0	159,095,193	0	0	0	0
56	Kazo DLG	396	163,608,641	0	0	163,608,641	0	0	0	0
57	Kibaale DLG	0	67,860,433	0	0	67,860,433	198	267,905,954	7	7,638,423
58	Kiboga DLG	0	25,595,288	0	0	25,595,288	13	50,256,431	4	9,339,434
59	Kibuku DLG	0	614,892,218	0	0	614,892,218	8	7,215,805	3	75,135,778
60	Kikuube DLG	0	218,959,929	0	0	218,959,929	2	889,929	16	340,013,264

SN	Entity Name	No. of staff with inconsistency between Interface files and payroll	Variance arising from with inconsistency between Interface files and payroll	No. of pensioners with inconsistency between Interface files and payroll	Variance arising from inconsistency between Interface files and payroll	Total	No. of staff paid salaries off the IPPS payroll	Amount of salary paid Off IPPS payroll	No. of pensioners paid off the IPPS payroll	Amount of pension paid off the IPPS
61	Kiruhura DLG	210	90,796,758	0	0	90,796,758	6	12,385,198	0	0
62	Kiryandongo DLG	0	21,184,352	0	0	21,184,352	21	24,991,785	3	14,805,596
63	Kisoro DLG	0	0	0	0	0	0	0	0	0
64	Kitagwenda DLG	135	33,547,633	0	0	33,547,633	10	71,145,067	0	0
65	Kitgum DLG	0	0	0	0	0	0	0	9	6,137,612
66	Koboko DLG	0	1,518,252,806	0	0	1,518,252,806	0	0	0	0
67	Kole DLG	0	10,355,488	0	0	10,355,488	0	0	0	0
68	Kumi DLG	0	359,718,520	0	0	359,718,520	0	0	0	0
69	Kwania DLG	0	154,871,882	0	0	154,871,882	6	32,886,550	0	0
70	Kween DLG	0	55,599,052	0	0	55,599,052	10	28,300,684	0	0
71	Kyankwanzi DLG	0	13,939,308	0	0	13,939,308	2	1,438,316	0	0
72	Kyegegwa DLG	14	2,402,866	0	0	2,402,866	0	0	0	0
73	Kyenjojo DLG	4	4,927,544	0	0	4,927,544	0	0	0	0
74	Kyotera DLG	505	297,936,427	0	0	297,936,427	0	0	0	0
75	Lamwo DLG	232	19,238,569	0	0	19,238,569	12	67,609,678	0	0
76	Lira DLG	0	0	0	0	0	476	1,247,047,602	71	184,126,452
77	Luuka DLG	0	320,651,077	0	0	320,651,077	7	8,899,399	0	0
78	Luwero DLG	0	0	0	0	0	0	0	0	0
79	Lwengo DLG	49	33,988,738	0	0	33,988,738	14	14,829,645	0	0
80	Lyantonde DLG	52	11,380,969	0	0	11,380,969	33	158,742,468	1	40,537,322
81	Madi-Okollo DLG	0	607,565,504	0	0	607,565,504	21	38,477,728	0	0
82	Manafwa DLG	0	237,407,527	0	0	237,407,527	0	0	0	0
83	Maracha DLG	0	49,015,193	0	0	49,015,193	67	62,244,541	0	0
84	Masaka DLG	219	47,056,562	0	0	47,056,562	2	8,321,464	0	0
85	Masindi DLG	0	1,899,055,822	0	0	1,899,055,822	1	7,644,944	0	0
86	Mayuge DLG	0	233,491,206	0	0	233,491,206	319	147,961,186	48	33,074,030
87	Mbale DLG	0	227,212,724	0	0	227,212,724	0	0	0	0
88	Mbarara DLG	0	0	0	0	0	0	0	0	0
89	Mitooma DLG	0	0	0	0	0	0	0	0	0
90	Mityana DLG	139	128,671,074	0	0	128,671,074	0	0	0	0
91	Moroto DLG	0	42,890,728	0	0	42,890,728	198	13,816,711	7	4,415,528

SN	Entity Name	No. of staff with inconsistency between Interface files and payroll	Variance arising from with inconsistency between Interface files and payroll	No. of pensioners with inconsistency between Interface files and payroll	Variance arising from inconsistency between Interface files and payroll	Total	No. of staff paid salaries off the IPPS payroll	Amount of salary paid Off IPPS payroll	No. of pensioners paid off the IPPS payroll	Amount of pension paid off the IPPS
92	Moyo DLG	0	88,948,906	0	0	88,948,906	23	13,299,698	0	0
93	Mpigi DLG	0	5,757,669	0	0	5,757,669	6	13,626,100	4	5,651,821
94	Mubende DLG	41	19,396,416	0	0	19,396,416	0	0	0	0
95	Mukono DLG	448	45,950,261	0	0	45,950,261	198	19,049,044	0	0
96	Nakapiripirit DLG	0	5,724,300	0	0	5,724,300	7	11,503,325	0	0
97	Nakaseke DLG	768	573,807,535	0	0	573,807,535	7	38,340,350	1	17,007,117
98	Nakasongola DLG	0	0	0	0	0	0	0	0	0
99	Namayingo DLG	0	159,978,512	0	0	159,978,512	9	7,942,617	0	0
100	Namisindwa DLG	0	0	0	0	0	0	0	0	0
101	Namutumba DLG	0	144,042,459	0	0	144,042,459	75	22,852,650	0	0
102	Napak DLG	0	836,272,862	0	0	836,272,862	1	24,785,247	0	0
103	Nebbi DLG	0	82,756,771	0	0	82,756,771	0	0	0	0
104	Ngora DLG	0	118,987,825	0	0	118,987,825	0	0	0	0
105	Ntoroko DLG	363	25,473,624	0	0	25,473,624	95	328,785,473	0	0
106	Ntungamo DLG	0	118,406,599	0	0	118,406,599	371	231,305,222	0	0
107	Nwoya DLG	0	7,255,056	0	0	7,255,056	5	18,516,767	0	0
108	Obongi DLG	0	82,330,884	0	0	82,330,884	14	11,689,566	0	0
109	Omoro DLG	0	252,167,876	0	0	252,167,876	27	49,073,404	0	0
110	Otuke DLG	0	3,881,700	0	0	3,881,700	0	0	0	0
111	Oyam DLG	588	292,821,008	0	0	292,821,008	6	16,173,327	16	392,448,794
112	Pader DLG	0	563,991,673	0	0	563,991,673	0	0	0	0
113	Pakwach DLG	0	6,477,528	0	0	6,477,528	0	0	0	0
114	Pallisa DLG	0	3,472,218	0	0	3,472,218	2	3,030,116	0	0
115	Rakai DLG	0	0	0	0	0	0	0	0	0
116	Rubanda DLG	0	0	0	0	0	0	0	8	124,003,227
117	Rubirizi DLG	166	77,601,377	0	0	77,601,377	22	17,412,562	1	20,453,988
118	Rukiga DLG	0	0	0	0	0	0	0	0	0
119	Rukungiri DLG	0	0	0	0	0	0	0	0	0
120	Rwampara DLG	45	8,338,721	0	0	8,338,721	2	12,387,222	0	0
121	Sembabule DLG	214	348,680,895	0	0	348,680,895	0	0	0	0
122	Serere DLG	0	1,167,724,155	0	0	1,167,724,155	135	118,915,137	4	226,712,109

SN	Entity Name	No. of staff with inconsistency between Interface files and payroll	Variance arising from with inconsistency between Interface files and payroll	No. of pensioners with inconsistency between Interface files and payroll	Variance arising from inconsistency between Interface files and payroll	Total	No. of staff paid salaries off the IPPS payroll	Amount of salary paid Off IPPS payroll	No. of pensioners paid off the IPPS payroll	Amount of pension paid off the IPPS
123	Sheema DLG	0	0	0	0	0	0	0	0	0
124	Sironko DLG	54	15,544,879	0	0	15,544,879	0	0	2	6,237,150
125	Soroti DLG	0	45,051,613	0	327,169,650	372,221,263	0	0	17	384,263,746
126	Terego DLG	0	37,919,839	0	0	37,919,839	318	366,553,984	3	194,516,367
127	Tororo DLG	0	771,749,550	0	0	771,749,550	1	3,532,865	15	468,511,233
128	Wakiso DLG	0	63,789,727	0	0	63,789,727	0	0	0	0
129	Yumbe DLG	0	91,433,441	0	0	91,433,441	3	11,833,867	0	0
130	Zombo DLG	0	191,587,740	0	0	191,587,740	0	0	0	0
	Total	**10,504**	**27,545,118,941**	**25**	**802,360,112**	**27,985,622,663**	**3,926**	**4,898,961,116**	**870**	**8,603,983,314**

Appendix 1 k: Management of deductions by UCLA/UBA

Entity Name	No. of staff without letters of undertaking	Amount deducted from staff without letters of undertaking	No. of staff with loans deductions past end dates	Amount deducted past end date	No. of staff with unrealistic end dates	Average length of abnormal dates (years ranging from to)	Amount deducted from staff with abnormal end dates	No. of staff with un-approved loans	Amount deducted from staff with un-approved loans	No. of staff from which Loan deductions were over and above the approved amounts	Amount deducted over and above the approved amounts	No. of staff with variance between My approvals and active deductions	Variance Amount between My approvals and active deductions	No. of staff from which Variance between monthly deduction amounts in active deductions report	Variance Amount between monthly deduction amounts in active deductions report
Adjumani DLG			2	1,651,893	23	9 to 40	29,901,383	121	91,960,229	8	1,795,781	0	0	0	0
Agago DLG	732	1,263,291,271			28	11 to 5642	36,916,817			24	8,399,587				
Alebtong DLG			5	783,687	44	13 to 2575	22,850,556	46	41,833,912	31	21,676	13	639,030	126	347,545
Amolatar DLG	0	0	47	2,350,252	8	9 to 257	16,377,769	93	121,782,489	18	3,306,509	0	0	0	0

Entity Name	No. of staff without letters of under taking	Amount deducted from staff without letters of undertaking	No. of staff with loans deductions past end dates	Amount deducted past end date	No. of staff with unrealistic end dates	Average length of abnormal dates (years ranging from to)	Amount deducted from staff with abnormal end dates	No. of staff with un-approved loans	Amount deducted from staff with un-approved loans	No. of staff from which Loan deductions were over and above the approved amounts	Amount deducted over and above the approved amounts	No. of staff with variance between My approvals and active deductions	Variance Amount between My approvals and active deductions	No. of staff from which Variance between monthly deduction amounts in active deductions report	Variance Amount between monthly deduction amounts in active deductions report
Amudat DLG	92	119,813,541	4	2,057,917	0		0	4	3,527,541	21	1,257,778	0	0	0	0
Amuria DLG	272	28,882,820	0	0	0		0	110	10,345,961	116	45,240,985	0	0	0	0
Amuru DLG	417	647,330,578	2	4,858,988	29	11 to 590	34,210,170	64	2,467,844	0	0	0	0	0	0
Apac DLG	478	742,438,306	5	1,585,074	3	69 to 1499	3,120,636	60	71,051,264	84	73,965,427				
Arua DLG	0	0	5	670,980	16	9 to 51	15,860,074	82	22,253,294	0	0	0	0	0	0
Budaka DLG	96	175,852,054						12	2,438,471	6	196,286	50	9,145,250		
Bududa DLG	0	0	3	610,176	4	9 to 1412	61,029	6	843,965	11	828,063	0	0	0	0
Bugiri DLG	281	808,378,322	218	215,166,058	171		226,628,417	131	183,071,422						
Bugweri DLG	299	568,486,881			13	12 to 63	24,245,070	23	15,975,791	67	3,323,576				
Buhweju DLG	0	0	0	0	0		0	0	0	0	0	496	67,760,094	496	67,760,094
Buikwe DLG	453	714,056,547	36	6,972,020	50	9 to 84	0	59	58,096,948	94	8,000,281	0	0	0	0
Bukedea DLG	27	32,256,931	42	28,288,094	0		0	19	25,470,036	0	0	24	1,302,198	300	20,339,052
Bukomansimbi DLG	0	0	0	0	20	9 to 43	23,813,207	0	0	0	0	6	0	122	7,136,646
Bukwo DLG					7	13 to 35	13,656,161	57	9,873,428	106	7,960,954				
Bulambuli DLG	0	0	0	0	0		0	33	5,911,187	0	0	24	7,080,085		
Buliisa DLG	138	256,656,828	5	6,006,712	0		0	2	4,270,800	16	11,970,780	0	0	0	0
Bundibugyo DLG	0	0	14	7,200,896	69	9 to 381	154,102,203	27	17,523,457	23	35,581,481	0	0	0	0
Bunyangabu DLG	0	0	9	2,029,155	24	9 to 149	52,362,610	70	91,149,019	104	219,224,727	64	4,041,609	111	2,827,028
Bushenyi DLG	0	0	0	0	0		0	0	0	0	0				
Busia DLG	75	16,527,300	44	6,522,948	1			0	0	0	0				
Butaleja DLG	0	0	0	0	0		0	0	0	0	0	0	0	0	0
Butambala DLG	0	0	4	639,250	6		15,227,927	19	22,011,876	145	13,740,152	140	13,771,032	36	3,174,711
Butebo DLG	0	0	0	0	0			80	145,413,728	121	513,854				
Buvuma DLG	0	0	4	771,823	20	9 to 12	32,424,902	8	4,317,648	0	0				
Buyende DLG	562	1,016,683,423	0	0	0		0	577	1,019,461,431	6	578,629	0	0	0	0
Dokolo DLG	39	32,199,959	0	0	0		0	0	0	90	14,602,075	0	0	0	0
Gomba DLG	0	0	23	15,641,080	0		0	11	8,251,701	33	1,214,804	108	1,051,704	108	1,237,069
Gulu DLG			6	10,251,751	45	9 to 232	74,553,000	8	1,468,850	27	3,483,930	0	0	0	0

Entity Name	No. of staff without letters of undertaking	Amount deducted from staff without letters of undertaking	No. of staff with loans deductions past end dates	Amount deducted past end date	No. of staff with unrealistic end dates	Average length of abnormal dates (years ranging from to)	Amount deducted from staff with abnormal end dates	No. of staff with un-approved loans	Amount deducted from staff with un-approved loans	No. of staff from which Loan deductions were over and above the approved amounts	Amount deducted over and above the approved amounts	No. of staff with variance between My approvals and active deductions	Variance Amount between My approvals and active deductions	No. of staff from which Variance between monthly deduction amounts in active deductions report	Variance Amount between monthly deduction amounts in active deductions report
Hoima DLG			33	27,367,073	17	9 to 18	24,740,797	8	450,965	64	5,864,972	0	0	0	0
Ibanda DLG	0	0	0	0	0		0	35	42,576,583	96	2,391,812	14	113,938	162	27,117,958
Iganga DLG	927	168,552,545	34	20,335,569				73	90,057,326	28	2,768,907				
Isingiro DLG	0	0	0	0	11	11 to 106	1,622,788	14	2,619,177	0	0				
Jinja DLG			36	23,742,370	76	9 to 202	60,277,692	82	58,498,171	65	4,953,403				
Kabale DLG	0	0	5	3,408,639	0		0	0	0	0	0	143	3,842,433	657	47,227,638
Kabarole DLG	0	0	0	0	0		0	444	619,946,407	29	1,824,784	18	2,057,441	37	1,550,651
Kaberamaido DLG	0	0	7	10,017,669	0		0	11	12,754,733	55	3,475,301	14	1,878,489	55	3,475,301
Kagadi DLG	845	1,681,647,581	2	664,600	63	9 to 252	126,923,539	150	233,479,947	16	7,262,432	0	0	0	0
Kakumiro DLG	275	515,960,731	0	0	23	9 to 145	38,565,990	29	62,083,492	20	1,065,390	0	0	0	0
Kalaki DLG	0	0	13	11,820,457	0		0	272	302,340,063	0	0	41	1,552,219	182	4,718,799
Kalangala DLG	45	42,843,106	16	3,161,180	9	9 to 129	9,042,408	34	40,572,513	0	0				
Kaliro DLG			40	39,870,979	71	9 to 965	123,390,571	62	95,675,157	76	4,264,771				
Kalungu DLG	0	0	0	0	8	19 to 252	12,981,766	23	6,299,952	28	1,447,526	80	2,759,126	17	0
Kamuli DLG	1,346	2,136,372,466	14	5,649,245	87	8 to 222	141,966,827	935	1,352,661,144	100	11,176,978				
Kamwenge DLG	0	0	25	10,372,584	10	3 to 59	18,169,810	0	0	8	1,107,607	0	0	0	0
Kanungu DLG	0	0	0	0	27	10 to 20	16,970,368	67	60,634,863	41	3,509,122	26	2,803,229	75	3,860,983
Kapchorwa DLG								10	1,825,092	165	12,230,438				
Kapelebyong DLG	0	0	14	7,060,981	0		0	22	9,049,782	25	1,360,663	0	0	0	0
Kasanda DLG	50	101,191,408	4	1,474,152				113	125,902,600	61	3,505,979				
Kasese DLG	0	0	146	151,923,363	3	010 to 010	566,750	44	44,119,766	64	5,641,196	92		200	
Katakwi DLG	9	0	2	1,939,178	0		0	22	3,147,144	27	3,551,731	0	0	0	0
Kayunga DLG	24	229,718,762	0	0	50		83,412,229	114	128,141,518	643	66,341,549	N/A	N/A	N/A	N/A
Kazo DLG	0	0	2	363,534	0		0	0	0	0	0	0	0	129	5,188,037
Kibaale DLG	335	685,049,938	1	336,000	27	9 to 1412	47,153,523	64	86,100,423	28	1,447,526	0	0	0	0
Kiboga DLG	0	0	11	9,389,274	0		0	16	2,251,003	0	0	0	0	0	0
Kibuku DLG								15	2,416,343						
Kikuube DLG	0	0	0	0	0		0	48	39,071,360	54	7,023,679	0	0	0	0

Entity Name	No. of staff without letters of under taking	Amount deducted from staff without letters of undertaking	No. of staff with loans deductions past end dates	Amount deducted past end date	No. of staff with unrealistic end dates	Average length of abnormal dates (years ranging from to)	Amount deducted from staff with abnormal end dates	No. of staff with un-approved loans	Amount deducted from staff with un-approved loans	No. of staff from which Loan deductions were over and above the approved amounts	Amount deducted over and above the approved amounts	No. of staff with variance between My approvals and active deductions	Variance Amount between My approvals and active deductions	No. of staff from which Variance between monthly deduction amounts in active deductions report	Variance Amount between monthly deduction amounts in active deductions report
Kiruhura DLG	0	0	12	4,272,887	0		0	34	41,845,063	114	114,624,153	16	162,858	100	11,345,545
Kiryandongo DLG	316	452,483,491	20	1,298,454	2	112 to 864	2,967,888			16	2,132,833	0	0	0	0
Kisoro DLG	0	0	37	21,075,104	57	9 to 1412	911,065,027	0	0	0	0	0	0	0	0
Kitagwenda DLG	0	0	0	0	23	9 to 381	27,025,144	129	296,591,449	284	20,704,464	21	781,834	0	0
Kitgum DLG	0	0	0	0	0		0	29	1,614,671	0	0	0	0	0	0
Koboko DLG	0	0	36	19,825,094	0		0					56	4,262,404	12	1,753,638
Kole DLG					1	1 to 110	3,171,924					15	285,972	15	61,510
Kumi DLG	0	0	32	7,880,110	49	9 to 1412	96,238,006	17	12,996,532	41	5,330,490				
Kwania DLG	198	414,929,083			32	9 to 48	59,741,926	137	171,792,320	80	8,803,583				
Kween DLG	0	0	27	27,473,090				10	1,814,684	0	0				
Kyankwanzi DLG	634	1,173,594,581	45	27,622,355				6	7,604,761	16	14,632,129	0	0	0	0
Kyegegwa DLG	0	0	12	6,019,096	0		0	7	5,426,662	58	3,161,051	15	1,592,995	122	9,945,590
Kyenjojo DLG	0	0	72	80,792,810	19	9 to 52	26,582,154	75	77,858,388	174	8,367,152	112	6,695,073	232	9,665,444
Kyotera DLG	0	0	0	0	0		0	0	0	0	0	86	5,045,779	130	3,206,545
Lamwo DLG								8	6,995,325						
Lira DLG	0	0	6	5,787,997	5		10,293,377	22	3,502,585	70	2,344,802				
Luuka DLG	833	151,052,362	58	48,093,072				676	73,545,618	20	2,614,734				
Luwero DLG	0	0	19	7,710,040	196	9 to 98	318,878,701	419	362,326,533	550	20,483,256				
Lwengo DLG	0	0	0	0	0		0	0	0	0	0	84	2,336,259	216	25,808,005
Lyantonde DLG	70	69,046,902	1	184,303	0		0	110	144,360,275	42	3,774,678	34	5,485,359	92	662,780
Madi0Okollo DLG	0	0	13	2,509,346	0		0	2	2,358,510	0	0	177	21,268,304	107	17,256,610
Manafwa DLG	225	421,246,166						10	1,614,447	848	156,970,488				
Maracha DLG	0	0	0	0	8	22 to 89	15,547,450	16	12,920,916	0	0	0	0	0	0
Masaka DLG	0	0	18	5,146,832	12	10 to 101	13,082,389	86	60,979,404	0	0	522	2,529,692	686	116,243,688
Masindi DLG	0	0	33	27,367,073	17	9 to 18	24,740,797	0	0			0	0	0	0
Mayuge DLG			35	27,064,037	64	9 to 251	126,280,911	420	767,021,671	125	13,064,527				
Mbale DLG	1,245	196,544,619	92	35,297,096	106	9 to 1541	155,194,966	146	25,033,869	848	156,970,488	0	0	0	0
Mbarara DLG	14	26,470,745	6	31,265,414	8	9 to 139	13,679,431	18	17,160,490	311	7,299,179	272	2,118,408		

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Mitooma DLG	0	0	62	45,719,768	0		0	9	5,866,793	0	0	0	0	69	6,387,294
Mityana DLG	0	0	0	0	0		0	24	24,188,99	35	29,090,341	0	0	0	0
Moroto DLG	212	357,727,173	10	2,481,650	10	13 to 25	14,033,751	6	5,743,878	129	11,601,271	0	0	0	0
Moyo DLG	0	0	0	0	12	9 to 12	7,597,719	8	3,648,417	0	0	0	0	0	0
Mpigi DLG	0	0	18	7,414,431	39	9 to 81	63,569,216	10	3,459,488	0	0	0	0	0	0
Mubende DLG	91	166,168,759	43	9,193,080	99		133,369,505	21	17,460,348	371	109,384,825	353	8,077,282	182	2,314,639
Mukono DLG	0	0	42	14,032,804	106	9 to 278	201,435,493	41	34,824,302	59	2,560,644	421	52,890,921	118	4,807,795
Nakapiripirit DLG	0	0	3	569,402	0		0	8	8,682,765	7	509,132	0	0	0	0
Nakaseke DLG	0	0	8	444,605	19		1,645,478	0	0	0	0	200	10,489,146	410	26,269,050
Nakasongola DLG	19	12,442,322	49	26,899,425	18	9 to 11	14,657,798	19	12,442,322	158	148,945,206	0	0	0	0
Namayingo DLG			2	66,500	15	9 to 19	18,528,565	514	869,660,204	41	3,464,013				
Namisindwa DLG	0	0	0	0	0		0	0	0			471	13,576,059	24	3,696,376
Namutumba DLG	654	1,214,036,533	40	26,531,379				15	10,620,729						
Nebbi DLG	190	13,150,776										0	0	0	0
Ngora DLG	475	884,789,375	14	4,069,392	14	9 to 92	17,487,458					59	72,920,215	1,633	104,639,842
Ntoroko DLG	0	0	7	3,115,781	56	9 to 244	131,695,726	12	10,959,733	24	1,089,314	90	16,776,254	145	12,113,782
Ntungamo DLG	8	10,239,883	0	0	0		0	0	0	0	0	0	0	0	0
Nwoya DLG	0	0	0	0	0		0	221	27,349,594	0	0	170	6,580,562	0	0
Obongi DLG	0	0	0	0	0		0	17	2,689,650	0	0	0	0	0	0
Omoro DLG	655	1,039,249,388	21	4,091,933	105	9 to 152	176,511,469	13	7,673,618	42	1,560,767	41	1,021,155	95	3,979,156
Otuke DLG	29	52,814,803	6	12,850,650	24	50 to 92	74,068,773	39	50,030,968	118	14,103,707	0	0	0	0
Oyam DLG	969	1,722,117,890	50	32,570,873	1	1 to 1900	2,158,998	29	30,968,478	131	25,115,090	39	1,430,224	414	24,092,261
Pakwach DLG	0	0								65	34,271,206	0	0	0	0
Pallisa DLG	0	0	36	8,792,289	18	37 to 125	179,954	0	0	0	0	0	0	0	0
Rakai DLG	0	0	0	0	0		0	16	3,525,756	0	0	26	323,973	136	3,979,256
Rubanda DLG	0	0	53	73,790,422	0		0	0	0	0	0	76	679,054	344	15,940,122
Rubirizi DLG	0	0	1	103,594	13	9 to 16	24,116,580	312	53,725,444	0	0	13	1,399,075	312	53,725,444
Rukiga DLG	0	0	30	64,812,489	0		0	0	0	0	0	0	0	0	0

Entity Name	No. of staff without letters of under taking	Amount deducted from staff without letters of undertaking	No. of staff with loans deductions past end dates	Amount deducted past end date	No. of staff with unrealistic end dates	Average length of abnormal dates (years ranging from to)	Amount deducted from staff with abnormal end dates	No. of staff with un-approved loans	Amount deducted from staff with un-approved loans	No. of staff from which Loan deductions were over and above the approved amounts	Amount deducted over and above the approved amounts	No. of staff with variance between My approvals and active deductions	Variance Amount between My approvals and active deductions	No. of staff from which Variance between monthly deduction amounts in active deductions report	Variance Amount between monthly deduction amounts in active deductions report
Rukungiri DLG	0	0	0	0	178	9 to 1412	210,026,136	0	0	0	0	1,778	193,174,533	0	0
Rwampara DLG	0	0	6	1,007,054	0		0	0	0	0	0	0	0	156	12,087,434
Sembabule DLG	135	126,779,039	12	15,679,825	4	10 to 11	1,974,554	41	45,636,611	770	97,302,172	258	6,784,450	372	5,229,322
Serere DLG	83	277,143,706	7	8,589,388	39	9 to 80	6,435,030	0	0	0	0	0	0	0	0
Sheema DLG	0	0	68	26,414,353	85	9 to 172	72,160,119	33	18,938,753	35	3,672,225				
Sironko DLG	0	0	31	21,301,821	4	47 to 96	677,270	0	0	0	0	0	0	0	0
Soroti DLG	0	0	13	2,828,410	60	9 to 333	77,144,222	63	32,737,209	92	2,521,018	0	0	0	0
Terego DLG	0	0	0	0	0		0	122	149,576,412	93	8,488,586	0	0	0	0
Tororo DLG	130	26,488,136	0	0	0		0	0	0	9	722,535		33,633,069		23,710,317
Wakiso DLG	0	0	49	10,023,976	143		204,453,730	24	16,442,942	136	4,042,000	117	5,657,588	0	0
Yumbe DLG	0	0	0	0	0		0	15	2,595,697	0	0	0	0	0	0
Zombo DLG	0	0	5	5,370,075	5	0 to 4	5,370,075	30	22,465,074	0	0	0	0	0	0
Total	**15,002**	**20,792,707,030**	**2,143**	**1,458,405,180**	**2,729**		**4,745,884,699**	**8,468**	**8,885,902,311**	**8,756**	**1,643,636,038**	**6,875**	**597,776,374**	**8,935**	**694,882,957**

Appendix 1 l: Use of wrong formula to compute statutory deductions

SN	Entity Name	No. of staff from which no LST was deducted	Amount of LST un deducted	Number of staff with wrong LST deduction	Overdeduction of LST	Under deduction of LST	Number of staff from which no PAYE was deducted	Amount of PAYE un deducted	Number of staff with wrong PAYE deductions	Over deduction of PAYE	Under deduction of PAYE
1	Adjumani DLG	0	0	400	0	8,322,500	12	22,474,874	16	1,276,425	3,752,198
2	Agago DLG	335	16,867,500	340	1,907,500	2,765,000	154	19,109,952	1,693	80,914,933	0

SN	Entity Name	No. of staff from which no LST was deducted	Amount of LST un deducted	Number of staff with wrong LST deduction	Overdeduction of LST	Under deduction of LST	Number of staff from which no PAYE was deducted	Amount of PAYE un deducted	Number of staff with wrong PAYE deductions	Over deduction of PAYE	Under deduction of PAYE
3	Alebtong DLG	0	0	0	0	0	0	0	964	0	11,308,678
4	Amolatar DLG	272	140,500,000	303	3,777,500	355,000	0	0	232	57,452,362	18,451,893
5	Amudat DLG	0	0	154	581,250	590,000	0	0	7	0	5,976,211
6	Amuria DLG	237	5,350,000	940	11,562,500	1,511,250	0	0	0	0	0
7	Amuru DLG	448	22,095,000	171	1,928,750	495,000	33	571,647	1,248	16,533,764	0
8	Apac DLG	0	0	265	0	16,300,000	424	22,369,629	802	0	42,323,166
9	Arua DLG	683	13,592,500	620	8,720,000	2,357,500	0	0	106	0	35,428,296
10	Budaka DLG	0	0	236	2,707,500	1,721,250	0	0	393	0	6,824,089
11	Bududa DLG	80	1,360,000	175	0	1,313,750	3	2,266,344	9	518,779	0
12	Bugiri DLG	0	0	2,002	21,002,500	10,113,750	0	0	2,251	0	7,326,484
13	Bugweri DLG	58	3,107,500	79	2,010,000	373,750	0	0	0	0	0
14	Buikwe DLG	0	0	1,017	10,695,000	3,393,750	0	0	1,263	0	41,521,135
15	Bukedea DLG	0	0	1,502	18,152,500	5,157,500	29	1,387,074	1,347	0	38,262,904
16	Bukomansimbi DLG	0	0	1,007	3,222,000	14,655,000	5	2,918,072	1,073	38,801,620	0
17	Bukwo DLG	0	0	751	1,220,000	16,027,500	54	6,552,892	76	0	24,709,686
18	Bulambuli DLG	0	0	273	0	7,207,500	0	0	0	31	8,093,572
19	Buliisa DLG	2	591,250	783	0	77,194,200	0	0	765	0	26,927,100
20	Bundibugyo DLG	0	0	695	4,122,500	6,587,500	19	45,556,921	21	0	5,071,143
21	Bunyangabu DLG	0	0	881	10,617,500	561,250	11	20,772,705	1,265	81,407	21,398,032
22	Bushenyi DLG	0	0	1,430	19,042,500	31,250	3	768,685	21	0	4,287,265
23	Busia DLG	107	7,785,000	629	8,882,500	5,595,000	5	947,415	0	0	0
24	Butambala DLG	0	0	54	1,465,000	0	1	773,527	196	29,764,012	0
25	Butebo DLG	0	0	489	6,925,000	2,841,250	6	3,144,819	35	0	22,481,423
26	Buvuma DLG	132	7,515,000	114	60,000	1,255,000	0	0	461	0	8,603,438
27	Buyende DLG	43	3,220,000	65	3,960,000	275,000	14	6,718,292	82	0	24,873,729
28	Dokolo DLG	331	9,036,250	1,021	12,660,000	1,511,250	0	0	0	0	0
29	Gomba DLG	0	0	1,110	11,146,108	5,483,750	0	0	1,340	195,453	33,523,521
30	Gulu DLG	0	0	592	85,000	2,615,000	1	2,796,827	0	0	0
31	Hoima DLG	156	11,240,000	902	10,140,000	1,567,500	0	0	1,219	0	71,608,660
32	Ibanda DLG	2	30,000	1,229	15,552,500	3,832,500	0	0	1,209	555,387,743	60,018,802

SN	Entity Name	No. of staff from which no LST was deducted	Amount of LST un deducted	Number of staff with wrong LST deduction	Overdeduction of LST	Under deduction of LST	Number of staff from which no PAYE was deducted	Amount of PAYE un deducted	Number of staff with wrong PAYE deductions	Over deduction of PAYE	Under deduction of PAYE
33	Iganga DLG	447	26,207,500	1,785	21,357,500	638,750	0	0	7	0	2,156,000
34	Jinja DLG	0	0	1,387	18,490,000	2,165,000	0	0	1,032	0	33,372,739
35	Kabale DLG	0	0	1,032	18,696,212	6,235,000	0	0	2,434	0	75,037,594
36	Kabarole DLG	0	0	902	12,807,500	2,566,250	0	0	31	0	6,681,901
37	Kaberamaido DLG	24	1,000,000	149	1,980,000	176,250	0	0	101	10,368,921	2,643,040
38	Kagadi DLG	2	135,000	1,806	25,415,000	7,175,000	18	3,262,442	1,881	0	56,338,325
39	Kakumiro DLG	6	220,000	924	12,015,000	3,960,000	0	0	1,070	0	45,361,333
40	Kalaki DLG	0	0	149	2,995,000	0	16	14,608,233	24	0	8,975,341
41	Kalangala DLG	0	0	588	187,500	23,663,750	0	0	359	735,254	6,067,532
42	Kaliro DLG	0	0	1,258	15,392,500	0	0	0	1,754	0	62,609,187
43	Kalungu DLG	14	730,000	30	442,500	0	0	0	35	0	743,264
44	Kamuli DLG	49	4,100,000	3,077	32,448,750	26,820,000	38	30,518,433	0	3,216	73,404,073
45	Kanungu DLG	0	0	95	1,017,500	997,500	0	0	98	0	3,730,538
46	Kapchorwa DLG	362	24,185,000	496	5,405,000	960,000	1	270,732	945	0	14,670,573
47	Kapelebyong DLG	145	7,545,000	130	2,160,000	0	0	0	208	5,035,322	0
48	Kasanda DLG	4	115,000	1,255	8,855,000	12,045,000	4	762,054	1,426	0	29,666,070
49	Kasese DLG	130	7,137,500	2,437	57,560,000	5,630,000	10	21,030,138	115	39,696,559	0
50	Katakwi DLG	801	18,141,250	304	2,787,500	297,500	0	0	406	0	9,399,080
51	Kayunga DLG	0	0	2,266	25,990,000	4,142,500	4	1,192,536	0	0	0
52	Kazo DLG	0	0	0	0	0	32	1,587,408	0	0	0
53	Kibaale DLG	0	0	870	15,682,500	2,405,000	28	3,087,693	938	0	24,395,489
54	Kiboga DLG	0	0	1,395	13,572,500	2,517,500	0	0	1,406	0	63,533,478
55	Kibuku DLG	0	0	519	9,757,500	5,471,250	0	0	62	0	23,609,181
56	Kikuube DLG	0	0	766	1,757,500	8,647,500	0	0	1,184	133,652	35,683,435
57	Kiruhura DLG	0	0	959	8,862,500	5,282,500	0	0	1,142	0	55,698,773
58	Kiryandongo DLG	433	24,206,250	1,395	16,347,500	6,953,750	1	201,811	1,406	0	24,588,301
59	Kitagwenda DLG	129	9,155,000	0	0	0	0	0	76	0	24,197,560
60	Kitgum DLG	0	0	27	207,500	50,000	9	6,626,901	0	0	0
61	Koboko DLG	4	62,500	0	0	0	0	0	0	0	0
62	Kole DLG	0	0	393	0	12,010,000	0	0	0	0	0
63	Kumi DLG	26	470,000	1,031	1,365,000	0	6	1,066,721	441	173,759,405	0
64	Kwania DLG	165	10,717,500	1,095	11,876,250	857,500	4	2,464,652	0	1,242	34,470,604

SN	Entity Name	No. of staff from which no LST was deducted	Amount of LST un deducted	Number of staff with wrong LST deduction	Overdeduction of LST	Under deduction of LST	Number of staff from which no PAYE was deducted	Amount of PAYE un deducted	Number of staff with wrong PAYE deductions	Over deduction of PAYE	Under deduction of PAYE
65	Kween DLG	212	3,545,000	686	7,050,000	1,803,750	1	2,521,679	1,172	0	29,828,983
66	Kyankwanzi DLG	0	0	1,575	21,985,000	6,603,750	0	0	1,831	0	68,707,401
67	Kyegegwa DLG	0	0	0	0	0	0	0	62	0	10,818,190
68	Kyenjojo DLG	0	0	249	3,498,750	212,500	1	869,398	0	0	0
69	Kyotera DLG	0	0	2,184	18,095,000	18,478,750	0	0	0	0	0
70	Lamwo DLG	186	11,365,000	354	1,525,000	3,943,750	1	1,042,200	171	0	4,061,945
71	Lira DLG	0	0	1,048	15,918,750	688,750	0	0	1,346	300,684,271	22,213,126
72	Luuka DLG	3	125,000	1,659	17,412,500	1,882,500	0	0	304	0	3,659,218
73	Luwero DLG	6	275,000	3,831	35,846,595	22,908,750	51	26,730,470	4,024	0	96,436,260
74	Lwengo DLG	0	0	1,659	17,056,250	4,483,750	3	2,651,225	110	0	29,166,343
75	Lyantonde DLG	0	0	885	6,855,000	8,801,250	11	1,486,254	1,036	0	32,930,876
76	Madi0Okollo DLG	4	135,000	957	9,876,250	6,732,500	15	1,805,024	67	21,427,046	34,687
77	Manafwa DLG	0	0	78	12,357,500	2,728,750	0	0	57	0	13,544,11
78	Maracha DLG	0	0	1,486	39,192,500	160,000	0	0	938	13,051,508	0
79	Masaka DLG	82	8,672,500	818	6,923,750	198,750	14	9,682,458	881	10,618,912	0
80	Masindi DLG	356	4,100,000	1,239	11,872,500	2,440,000	1	2,810,000	1,406	509,315,123	16,075,037
81	Mayuge DLG	0	0	75	30,181,902	0	0	0	2,373	0	41,504,234
82	Mbale DLG	0	0	2,904	9,185,000	0	0	0	3,929	41,213	40,339,994
83	Mbarara DLG	0	0	1,158	14,520,000	0	0	0	1,284	200,906,092	31,593,639
84	Mitooma DLG	72	3,937,500	95	1,170,000	310,000	0	0	44	0	12,076,258
85	Mityana DLG	0	0	458	13,475,000	7,751,250	3	7,286,400	18	0	14,107,218
86	Moroto DLG	144	8,118,750	121	255,000	1,638,750	21	8,124,515	745	0	11,304,400
87	Moyo DLG	0	0	55	2,512,500	0	0	0	0	0	0
88	Mpigi DLG	55	2,285,000	1,214	15,293,750	0	0	0	1,509	0	28,446,228
89	Mubende DLG	0	0	935	9,195,000	3,856,250	0	0	394	0	13,240,180
90	Mukono DLG	0	0	2,927	39,461,250	8,527,500	3	2,287,752	938	0	78,724,807
91	Nakapiripirit DLG	0	0	252	1,172,500	2,051,250	24	12,834,100	563	0	18,815,283
92	Nakaseke DLG	0	0	2	0	45,000	0	0	451	87,026,351	1,177,602
93	Nakasongola DLG	0	0	2,095	3,527,500	36,420,000	2	1,657,713	2,090	0	42,107,750
94	Namayingo DLG	0	0	492	1,277,500	7,017,500	0	0	1,292	0	13,481,286
95	Namutumba DLG	6	170,000	1,765	15,740,000	10,946,250	0	0	979	24,685,599	0
96	Napak DLG	447	12,957,500	154	1,497,500	775,000	0	0	7	0	5,976,211

SN	Entity Name	No. of staff from which no LST was deducted	Amount of LST un deducted	Number of staff with wrong LST deduction	Overdeduction of LST	Under deduction of LST	Number of staff from which no PAYE was deducted	Amount of PAYE un deducted	Number of staff with wrong PAYE deductions	Over deduction of PAYE	Under deduction of PAYE
97	Ngora DLG	24	1,072,500	969	10,962,500	2,153,750	10	16,181,769	41	0	20,678,468
98	Ntoroko DLG	181	11,997,500	284	1,790,000	2,423,750	2	401,986	693	0	27,134,849
99	Ntungamo DLG	0	0	22	270,000	0	28	37,988,956	151	0	20,715,092
10	Omoro DLG	3	102,500	652	4,042,500	8,515,000	1	2,872,542	1,590	0	46,533,621
10	Otuke DLG	1,141	138,475,000	906	11,400,000	1,741,250	0	0	1,166	797,403,729	14,214,586
10	Oyam DLG	0	0	0	0	0	0	0	1,619	41,170,147	141,880,930
10	Pakwach DLG	5	292,500	1,001	7,365,000	10,443,750	1	72,595	69	0	18,267,544
10	Pallisa DLG	0	0	435	0	9,817,500	91	18,821	369	18,594,399	20,523
10	Rakai DLG	517	30,325,000	0	0	0	0	0	0	0	0
10	Rubanda DLG	0	0	1,032	4,252,500	4,020,000	0	0	211	332,396	43,911,214
10	Rubirizi DLG	179	9,622,500	1,003	17,500	89,535,098	0	0	1,003	0	62,465,174
10	Rukiga DLG	0	0	1,109	15,682,500	251,250	0	0	0	0	0
10	Rukungiri DLG	421	10,676,250	0	0	0	0	0	0	0	0
11	Rwampara DLG	0	0	1,038	8,280,000	0	0	0	0	0	0
11	Sembabule DLG	4	75,000	2,267	21,877,500	12,106,250	0	0	0	0	0
11	Serere DLG	300	20,122,500	240	4,840,000	0	0	0	53	0	19,022,013
11	Sheema DLG	0	0	97	1,175,000	387,500	0	0	14	0	1,322,995
11	Sironko DLG	256	3,427,500	66	2,205,000	5,262,500	50	10,345	383	4,303,618	1,054,718

SN	Entity Name	No. of staff from which no LST was deducted	Amount of LST un deducted	Number of staff with wrong LST deduction	Overdeduction of LST	Under deduction of LST	Number of staff from which no PAYE was deducted	Amount of PAYE un deducted	Number of staff with wrong PAYE deductions	Over deduction of PAYE	Under deduction of PAYE
11	Soroti DLG	801	25,455,000	104	1,230,000	297,500	0	0	535	0	24,395,489
11	Tororo DLG	318	10,062,500	78	17,272,500	13,663,750	337	57,933,014	57	0	10,309,201
11	Wakiso DLG	0	0	76	2,522,500	3,213,750	0	0	0	0	0
11	Zombo DLG	295	6,325,000	1,354	6,762,500	13,291,250	5	4,697,181	444	0	28,685,210
	Total	11,645	700,135,000	94,892	1,043,454,067	682,208,048	1,621	447,775,826	75,094	3,040,220,504	2,387,243,619

Appendix 2 a: Planning, Budgeting & Funding For Land Acquisition

No	Entity	Planned		Budgeted			Actual		Release/warrant Ugx	Amount spent on Land Ugx	Diversion of Land Funds Ugx
		Size (hectares)	Amount Ugx	Pieces	Size (hectares)	Amount Ugx	Size (hectares)	Amount Ugx	Amount Ugx	Amount Ugx	
1	Wakiso DLG	0	0	4	Not specified	131,574,000	Not specified	131,574,000	131,500,000	57,400,000	0
2	Mbale DLG	0	0	3	Not specified	195,000,000	Not specified	195,000,000	193,034,360	193,034,360	0
3	Oyam DLG	40.47	300,000,000	1	40.47	300,000,000	40.47	300,000,000	300,000,000	20,000,000	280,000,000
4	Sironko DLG	0	0	2	0	0	2	1	0	25,134,266	25,134,266
	Total	**40.47**	**300,000,000**	**10**	**40.47**	**626,574,000**	**42.47**	**626,574,001**	**624,534,360**	**295,568,626**	**305,134,266**

Appendix 2 b: Titling and Transfer

No	Entity	Total Land		Un0Titled Land		Causes
		Pieces	Size (hectares)	Pieces	Size (hectares)	
1	Wakiso DLG	45	47	32	20	Land was donated by people who passed on without transferring title to the entity
2	Jinja DLG	28	149.8	3	10.747	Not stated
3	Mbale DLG	26	281.1	6	Not specified	Not stated
4	Gulu DLG	92	Not defined	76	Not specified	Lack of funding to transfer titles

5	Oyam DLG	20	290.35	10	58.45	Lack of funding to transfer titles
6	Mbarara DLG	78	235.65	68	113.94	Lack of funding to transfer titles
7	Buduuda DLG	50	101.29	24	19.25	Expired Land Board to effect titling of Land
8	Butaleja DLG	0	0	14	112	Expired Land Board to effect titling of Land
9	Sironko DLG	37	759.59	21	317.09	Lack of funding to transfer titles
10	Soroti DLG	138	Not defined	91	Not specifed	Lack of funding to transfer titles
11	Kumi DLG	64	520	51	Not specifed	Not stated
	Total	**578**	**2384.78**	**396**	**651.477**	

Appendix 2 c: <u>Failure to transfer Land into the Custody of ULC</u>

No	Entity	Land not in the names of ULC			Causes
		Pieces	Size (hectares)	Amount Ugx	
1	Wakiso DLG	32	20	Not defined	Corporate body hence has a right to own land in their own right
2	Mbale DLG	26	281.1	Not defined	Ignorance of the Law/Lack of awareness
3	Gulu DLG	15	47.063	Not defined	Corporate body hence has a right to own land in their own right
4	Oyam DLG	15	173.38	Not defined	Corporate body hence has a right to own land in their own right
5	Mbarara DLG	14	151.71	Not defined	Corporate body hence has a right to own land in their own right
6	Buduuda DLG	0	3	Not defined	Not stated
	TOTAL	**102**	**676.253**		

Appendix 2 d: <u>Maintenance of land Register</u>

No	Entity	Total Land		Land not recorded in the Land Register		Causes
		Pieces	Size (hectares)	No of Pieces	Size (hectares)	
1	Wakiso DLG	45	47	1	1.51	Absence of a reconciled position between land acquired by the LLGs and the district.
2	Mbale DLG	26	281.1	29	282.11	Not disclosed
3	Gulu DLG	92	Not defined	3	4.495	Not disclosed
4	Mbarara DLG	78	235.65	78	235.65	Not disclosed
5	Fort portal City	53	Not defined	0	0	Not disclosed
6	Buduuda DLG	50	101.29	0	0	Lack of District Land Board
7	Butaleja DLG	0	0	0	112	Not disclosed
8	Sironko DLG	37	759.59	0	0	Not disclosed
9	Soroti DLG	138	Not defined	0	0	Not disclosed
10	Kumi DLG	64	520	64	520	Not disclosed
	Total	**583**	**1944.6**	**175**	**1155.8**	

Appendix 2 e: Recording in GFMIS

No	Entity	Directorate	Total Land		Land not recorded in GFMIS		Causes
			Pieces	Size (hectares)	No of Pieces	Size (hectares)	
1	Wakiso DLG	LA	45	47	27	23	Absence of Land Values to update GFMIS
2	Mbale DLG	LA	26	281.1	23	281.1	Non Functionality of the GFMIS0Asset module
3	Gulu DLG	LA	92	Not defined	36	112.2	Not disclosed
4	Oyam DLG	LA	20	290.35	1	3.85	Non Functionality of the GFMIS0Asset module
5	Mbarara DLG	LA	78	235.65	0	0	Not disclosed
6	Fort portal City	LA	53	Not defined	0	0	Not disclosed
7	Buduuda DLG	LA	50	101.29	50	101.129	Not disclosed
8	Butaleja DLG	LA	0	0	0	0	Non Functionality of the GFMIS0Asset module
9	Sironko DLG	LA	37	759.59	37	759.59	Not disclosed
10	Soroti DLG	LA	138	Not defined	0	0	Not disclosed
11	Kumi DLG	LA	64	520	64	520	Non Functionality of the GFMIS0Asset module
	Total		**603**	**2234.98**	**238**	**1800.869**	

Appendix 2 f: Use of Land in accordance with approved purpose in the entity Strategic

No	Entity	Directorate	Land not utilized in accordance with approved purpose	
			No of Pieces	**Size (hectares)**
1	Gulu DLG	LA	3	11.767
	Total		**3**	**11.767**

Appendix 2 g: Unutilized Land

No	Entity	Total Land		Unutilized Land			Causes
		Pieces	**Size (hectares)**	**No of Pieces**	**Size (hectares)**	**Amount Ugx**	
1	Wakiso DLG	45	47	1	0.202	Not defined	Inadequate Funding
2	Jinja DLG	28	149.8			0	
3	Mbale DLG	26	281.1	0	0	0	
4	Gulu DLG	92	Not defined	3	11.767	Not defined	Inadequate Funding
5	Oyam DLG	20	290.35	1	3.853	Not defined	Inadequate Funding
6	Mbarara DLG	78	235.65	6	3.264	Not defined	Inadequate Funding
7	Fort portal City	53	Not defined	6	Not defined	Not defined	Inadequate Funding
8	Buduuda DLG	50	101.29	0	0	0	
9	Butaleja DLG	0	0	2	1.7	Not defined	Inadequate Funding
10	Sironko DLG	37	759.59	0	0	0	

11	Soroti DLG	138	Not defined	0	0	0	
12	Kumi DLG	64	520	0	0	0	
	Total	**631**	**2384.78**	**19**	**20.786**		

Appendix 2 h: Encumbered Land

No	Entity	Total Land		Encumbered Land			Causes
		Pieces	Size (hectares)	No of Pieces	Size (hectares)	Amount Ugx	
1	Wakiso DLG	45	47	3	1.641	Not defined	Lack of title and supporting documentation of ownership, prolonged non utilization of land attracting encroachers
2	Mbale DLG	26	281.1	9	42.2	Not defined	Not stated
3	Gulu DLG	92	Not defined	2	5.946	Not defined	Not stated
4	Mbarara DLG	78	235.65	3	32.59	Not defined	Not stated
5	Buduuda DLG	50	101.29	3	28.88	Not defined	Not stated
6	Sironko DLG	37	759.59	1	10	Not defined	Not stated
7	Soroti DLG	138	Not defined	16	Not defined	Not defined	Not stated
	Total	**466**	**1424.63**	**37**	**121.257**		

Appendix 2 i: Irregularities in Management of leased land

No	Entity	Land Leased		Undeveloped Leases		Uncollected Lease rentals		Leases renewed without payment of Ground rent		Causes
		No of Pieces	Size (hectares)	No of Pieces	Size (hectares)	No of Pieces	Amount UGX	No of Pieces	Amount UGX	
1	Wakiso DLG	1	4.07	0	0	0	0	2	Not stated	Leases were granted by former controlling Authorities and no inventory or lease records were ever passed on to the Boards, Leases fall under lower urban Authorities that manage and collect lease rentals forming part of NTR for Lower Units
2	Gulu DLG	5	10	2	5.821	5	30,300,000	1	0	Not stated
3	Buduuda DLG	30	Not defined	0	0	0	0	0	0	Not stated
4	Sironko DLG	123	Not defined	Not defined	0	77	66,690,000	0	0	Poor internal controls in management fo leased land
	Total	**159**	**14.07**	**2**	**5.821**	**82**	**96,990,000**	**3**	**0**	

Appendix 2 j: Irregular allocation of Land by District Land Boards (DLB)

No	Entity	Directorate	Irregular Land Allocation by DLB		Causes
			No of Pieces	Size (hectares)	
1	Wakiso DLG	LA	2	Not stated	Lack of comprehensive database for Public Land by the DLB
2	Gulu DLG	LA	2	Not stated	Lack of comprehensive database for Public Land by the DLB

Appendix 3 a: Management of YLP in Local Governments

SN	Local Government	Cummulative Amount Disbursed	Cummulative Amount Recovered	Amount Due as at 30/June/2022	%recovery
1	ABIM	558,430,320	29,764,500	528,665,820	5%
2	ADJUMANI	913,964,058	168,376,513	745,587,545	18%
3	AGAGO	1,060,342,500	289,800,000	770,542,500	27%
4	ALEBTONG	1,404,686,000	149,400,000	1,255,286,000	11%
5	AMOLATAR	1,258,384,200	199,630,000	1,058,754,200	16%
6	AMUDAT	1,136,319,670	58,450,000	1,077,869,670	5%
7	AMURIA	900,534,348	175,023,695	725,510,653	19%
8	AMURU	1,100,620,900	126,537,000	974,083,900	11%
9	APAC	485,983,900	69,562,880	416,421,020	14%
10	APAC MC	473,829,000	64,062,000	409,767,000	14%
11	ARUA	1,543,031,750	298,948,867	1,244,082,883	19%
12	ARUA MC	690,596,336	118,046,400	572,549,936	17%
13	BUDAKA	1,198,338,672	162,069,210	1,036,269,462	14%
14	BUDUDA	758,216,074	244,252,000	513,964,074	32%
15	BUGIRI	1,375,916,000	209,830,000	1,166,086,000	15%
16	BUGIRI MC	494,230,000	55,141,000	439,089,000	11%
17	BUGWERI	1,042,092,000	17,150,000	1,024,942,000	2%
18	BUHWEJU	984,435,400	202,906,000	781,529,400	21%
19	BUIKWE	529,541,000	173,057,121	356,483,879	33%
20	BUKEDEA	1,122,960,965	255,684,930	867,276,035	23%
21	BUKOMANSIMBI	804,758,000	160,756,500	644,001,500	20%
22	BUKWO	847,214,821	122,860,200	724,354,621	15%
23	BULAMBULI	1,037,707,856	338,122,562	699,585,294	33%
24	BULIISA	589,661,000	162,558,000	427,103,000	28%
25	BUNDIBUGYO	1,278,129,000	271,961,050	1,006,167,950	21%
26	BUNYANGABU	934,453,500	282,150,622	652,302,878	30%
27	BUSHENYI	1,216,325,590	517,576,630	698,748,960	43%

SN	Local Government	Cummulative Amount Disbursed	Cummulative Amount Recovered	Amount Due as at 30/June/2022	%recovery
28	BUSHENYI0ISHAKA	333,627,400	105,817,000	227,810,400	32%
29	BUSIA	1,117,921,963	123,051,733	994,870,230	11%
30	BUSIA MC	292,691,874	31,713,178	260,978,696	11%
31	BUTALEJA	768,440,957	120,280,000	648,160,957	16%
32	BUTAMBALA	630,640,978	80,890,321	549,750,657	13%
33	BUTEBO	641,022,700	34,277,000	606,745,700	5%
34	BUVUMA	746,271,980	112,575,000	633,696,980	15%
35	BUYENDE	2,043,535,000	255,547,200	1,787,987,800	13%
36	DOKOLO	1,307,323,000	324,721,750	982,601,250	25%
37	ENTEBBE MC	348,956,324	59,000,000	289,956,324	17%
38	FORT PORTAL MC	387,642,470	119,037,800	268,604,670	31%
39	GOMBA	838,593,022	173,900,093	664,692,929	21%
40	GULU	687,415,300	158,871,700	528,543,600	23%
41	GULU MC	526,738,000	139,545,384	387,192,616	26%
42	HOIMA	1,362,810,000	362,991,129	999,818,871	27%
43	HOIMA MC	417,807,612	133,007,900	284,799,712	32%
44	IBANDA	1,207,486,639	568,625,465	638,861,174	47%
45	IBANDA MC	509,101,000	278,628,000	230,473,000	55%
46	IGANGA	1,445,453,000	393,136,000	1,052,317,000	27%
47	IGANGA MC	737,703,281	61,220,842	676,482,439	8%
48	ISINGIRO	1,590,959,519	390,210,000	1,200,749,519	25%
49	JINJA	1,158,623,707	218,052,579	940,571,128	19%
50	JINJA MC	503,230,000	93,874,700	409,355,300	19%
51	KAABONG	1,363,036,915	430,667,771	932,369,144	32%
52	KABALE	965,256,145	341,558,100	623,698,045	35%
53	KABALE MC	215,500,500	55,303,000	160,197,500	26%
54	KABAROLE	1,550,962,456	604,631,533	946,330,923	39%
55	KABERAMAIDO	514,569,525	151,625,245	362,944,280	29%
56	KAGADI	1,575,484,122	467,322,640	1,108,161,482	30%
57	KAKUMIRO	743,270,500	178,212,000	565,058,500	24%
58	KALAKI	415,709,634	82,042,600	333,667,034	20%
59	KALANGALA	747,503,500	163,233,492	584,270,008	22%
60	KALIRO	1,128,449,600	161,710,000	966,739,600	14%
61	KALUNGU	877,348,800	255,160,200	622,188,600	29%
62	KAMULI	1,694,700,236	281,628,963	1,413,071,273	17%
63	KAMULI MC	194,730,747	33,725,200	161,005,547	17%
64	KAMWENGE	1,246,093,000	377,745,750	868,347,250	30%

SN	Local Government	Cummulative Amount Disbursed	Cummulative Amount Recovered	Amount Due as at 30/June/2022	%recovery
65	KANUNGU	1,393,173,400	272,560,000	1,120,613,400	20%
66	KAPCHORWA	469,971,751	69,495,000	400,476,751	15%
67	KAPCHORWA MC	508,972,000	56,621,196	452,350,804	11%
68	KAPELEBYONG	360,889,106	62,402,005	298,487,101	17%
69	KARENGA	364,008,064	84,604,000	279,404,064	23%
70	KASESE	2,986,384,150	1,015,351,135	1,971,033,015	34%
71	KASESE MC	674,304,680	197,189,556	477,115,124	29%
72	KASSANDA	964,655,000	84,891,000	879,764,000	9%
73	KATAKWI	991,688,017	120,580,040	871,107,977	12%
74	KAYUNGA	1,655,566,238	413,718,382	1,241,847,856	25%
75	KAZO	464,052,000	301,624,350	162,427,650	65%
76	KIBAALE	1,122,930,800	326,141,833	796,788,967	29%
77	KIBOGA	809,194,000	149,989,800	659,204,200	19%
78	KIBUKU	962,687,076	120,600,000	842,087,076	13%
79	KIKUUBE	1,077,008,125	285,373,626	791,634,499	26%
80	KIRA MC	686,970,000	140,053,067	546,916,933	20%
81	KIRUHURA	1,112,725,500	375,657,030	737,068,470	34%
82	KIRYANDONGO	1,176,794,226	203,594,715	973,199,511	17%
83	KISORO	1,374,493,000	517,000,000	857,493,000	38%
84	KISORO MC	459,066,000	90,156,150	368,909,850	20%
85	KITAGWENDA	641,411,200	166,004,250	475,406,950	26%
86	KITGUM	1,388,055,300	197,450,000	1,190,605,300	14%
87	KITGUM MC	450,846,000	31,162,335	419,683,665	7%
88	KOBOKO	887,932,898	213,074,409	674,858,489	24%
89	KOBOKO MC	455,052,960	113,350,000	341,702,960	25%
90	KOLE	997,144,700	167,464,965	829,679,735	17%
91	KOTIDO	1,049,044,396	701,350,000	347,694,396	67%
92	KOTIDO MC	1,193,020,136	360,890,000	832,130,136	30%
93	KUMI	801,804,654	184,000,000	617,804,654	23%
94	KUMI MC	409,137,000	134,127,605	275,009,395	33%
95	KWANIA	774,268,000	89,949,400	684,318,600	12%
96	KWEEN	986,832,727	195,179,150	791,653,577	20%
97	KYANKWANZI	583,793,000	365,794,200	217,998,800	63%
98	KYEGEGWA	1,164,039,300	652,734,400	511,304,900	56%
99	KYENJOJO	2,391,590,500	544,607,490	1,846,983,010	23%
100	KYOTERA	930,522,250	135,899,400	794,622,850	15%
101	LAMWO	1,597,171,000	71,578,000	1,525,593,000	4%

SN	Local Government	Cummulative Amount Disbursed	Cummulative Amount Recovered	Amount Due as at 30/June/2022	%recovery
102	LIRA	998,287,500	181,346,483	816,941,017	18%
103	LIRA MC	719,400,500	271,442,000	447,958,500	38%
104	LUGAZI MC	186,268,000	27,200,000	159,068,000	15%
105	LUUKA	1,270,470,500	127,477,000	1,142,993,500	10%
106	LUWERO	1,486,290,291	346,274,380	1,140,015,911	23%
107	LWENGO	890,277,450	214,146,958	676,130,492	24%
108	LYANTONDE	1,053,720,798	475,823,000	577,897,798	45%
109	MADI0OKOLO	699,387,900	63,368,198	636,019,702	9%
110	MAKINDYE SABAGABO MC	612,306,000	165,286,000	447,020,000	27%
111	MANAFWA	1,065,145,114	126,394,000	938,751,114	12%
112	MARACHA	925,734,700	304,167,452	621,567,248	33%
113	MASAKA	1,053,743,995	93,776,563	959,967,432	9%
114	MASAKA MC	870,343,056	60,007,820	810,335,236	7%
115	MASINDI	1,029,932,000	213,329,681	816,602,319	21%
116	MASINDI MC	534,611,172	136,375,259	398,235,913	26%
117	MAYUGE	2,223,544,045	323,612,803	1,899,931,242	15%
118	MBALE	1,136,326,112	217,000,000	919,326,112	19%
119	MBALE MC	423,934,681	51,259,000	372,675,681	12%
120	MBARARA	1,006,072,228	427,670,974	578,401,254	43%
121	MBARARA MC	556,021,100	132,217,546	423,803,554	24%
122	MITOOMA	1,208,180,500	368,442,050	839,738,450	30%
123	MITYANA	734,975,457	230,668,500	504,306,957	31%
124	MITYANA MC	189,623,350	62,403,396	127,219,954	33%
125	MOROTO	880,550,243	441,686,000	438,864,243	50%
126	MOROTO MC	268,738,681	99,734,835	169,003,846	37%
127	MOYO	894,175,800	102,499,600	791,676,200	11%
128	MPIGI	834,778,000	67,165,600	767,612,400	8%
129	MUBENDE	1,056,277,303	163,147,300	893,130,003	15%
130	MUBENDE MC	362,453,000	86,659,100	275,793,900	24%
131	MUKONO	972,755,500	188,775,000	783,980,500	19%
132	MUKONO MC	667,682,500	84,570,000	583,112,500	13%
133	NABILATUK	525,077,899	126,662,157	398,415,742	24%
134	NAKAPIRIPIRIT	1,038,485,500	75,788,418	962,697,082	7%
135	NAKASEKE	1,212,652,080	312,910,611	899,741,469	26%
136	NAKASONGOLA	739,457,000	220,953,000	518,504,000	30%
137	NAMAYINGO	1,166,593,750	222,680,000	943,913,750	19%
138	NAMISINDWA	626,045,000	86,300,000	539,745,000	14%

SN	Local Government	Cummulative Amount Disbursed	Cummulative Amount Recovered	Amount Due as at 30/June/2022	%recovery
139	NAMUTUMBA	1,376,411,000	166,904,000	1,209,507,000	12%
140	NANSANA MC	717,524,000	98,178,735	619,345,265	14%
141	NAPAK	1,392,853,326	249,371,430	1,143,481,896	18%
142	NEBBI	994,193,550	234,182,260	760,011,290	24%
143	NEBBI MC	254,455,000	36,107,650	218,347,350	14%
144	NGORA	1,089,212,532	137,623,841	951,588,691	13%
145	NJERU MC	321,075,400	186,040,690	135,034,710	58%
146	NTOROKO	1,020,711,500	346,147,706	674,563,794	34%
147	NTUNGAMO	1,265,443,350	290,764,025	974,679,325	23%
148	NTUNGAMO MC	549,417,000	315,379,503	234,037,497	57%
149	NWOYA	1,057,363,400	276,319,000	781,044,400	26%
150	OBONG	330,774,000	65,000,000	265,774,000	20%
151	OMORO	909,296,000	158,780,000	750,516,000	17%
152	OTUKE	1,241,198,900	349,577,750	891,621,150	28%
153	OYAM	1,420,240,000	298,812,370	1,121,427,630	21%
154	PADER	952,397,900	119,700,000	832,697,900	13%
155	PAKWACH	753,860,879	179,750,250	574,110,629	24%
156	PALLISA	1,784,396,870	191,719,400	1,592,677,470	11%
157	RAKAI	1,182,338,800	143,746,520	1,038,592,280	12%
158	RUBANDA	801,574,643	139,330,000	662,244,643	17%
159	RUBIRIZI	931,377,539	216,652,759	714,724,780	23%
160	RUKIGA	453,712,452	53,113,600	400,598,852	12%
161	RUKUNGIRI	1,369,976,400	230,000,000	1,139,976,400	17%
162	RUKUNGIRI MC	331,253,700	84,410,000	246,843,700	25%
163	RWAMPARA	687,828,688	241,863,060	445,965,628	35%
164	SEMBABULE	1,082,220,900	282,370,600	799,850,300	26%
165	SERERE	1,311,694,064	287,661,585	1,024,032,479	22%
166	SHEEMA	880,894,000	501,383,000	379,511,000	57%
167	SHEEMA MC	519,381,000	282,230,025	237,150,975	54%
168	SIRONKO	1,266,268,000	307,100,000	959,168,000	24%
169	SOROTI	990,736,418	251,777,690	738,958,728	25%
170	SOROTI MC	727,002,670	54,302,850	672,699,820	7%
171	TEREGO	711,898,000	132,942,955	578,955,045	19%
172	TORORO	1,426,247,993	339,218,047	1,087,029,946	24%
173	TORORO MC	841,180,000	40,800,000	800,380,000	5%
174	WAKISO	1,743,164,150	266,080,207	1,477,083,943	15%
175	YUMBE	2,315,784,900	296,269,650	2,019,515,250	13%

SN	Local Government	Cummulative Amount Disbursed	Cummulative Amount Recovered	Amount Due as at 30/June/2022	%recovery
176	ZOMBO	972,606,000	394,410,000	578,196,000	41%
	UNTAGGED TRANSFERS BY LGs	0	813,686,936	0	
	TOTAL	**164,992,797,049**	**38,018,366,215**	**127,788,117,770**	

Appendix 3 b: Management of UWEP in Local Governments

sn	LOCAL GOVERNMENT	CUMM. AMOUNT DISBURSED (UGX)	CUMM0AMOUNT DUE (UGX)	CUMMULATIVE RECOVERIES AS AT 30TH JUNE02022	CUMMULATIVE AMOUNT DUE AS AT 30TH JUNE02022	% recovery
1	ABIM DISTRICT LG	381,779,585	128,621,963	21,923,000	106,698,963	17%
2	ADJUMANI DISTRICT LG	626,871,079	112,369,200	49,408,000	62,961,200	44%
3	AGAGO DISTRICT LG	833,187,600	130,334,523	119,000,000	11,334,523	91%
4	ALEBTONG DISTRICT LG	696,069,000	145,614,326	21,130,000	124,484,326	15%
5	AMOLATAR DISTRICT LG	738,072,500	110,676,115	82,624,934	28,051,181	75%
6	AMUDAT DISTRICT LG	513,728,500	62,652,523	26,360,000	36,292,523	42%
7	AMURIA DISTRICT LG	528,271,800	94,064,647	78,221,650	15,842,997	83%
8	AMURU DISTRICT LG	852,765,200	97,313,643	78,242,278	19,071,365	80%
9	APAC DISTRICT LG	614,758,800	165,958,623	83,000,000	82,958,623	50%
10	APAC MUNICIPALITY	521,809,269	145,705,365	100,737,000	44,968,365	69%
11	ARUA CITY	92,840,000	174,826,081	33,145,470	141,680,611	19%
12	ARUA DISTRICT LG	528,770,436	204,560,403	155,258,000	49,302,403	76%
13	BUDAKA DISTRICT LG	558,670,094	87,516,193	58,203,549	29,312,644	67%
14	BUDUDA DISTRICT LG	511,293,000	196,224,307	138,700,000	57,524,307	71%
15	BUGIRI DISTRICT LG	770,457,300	239,303,523	92,615,000	146,688,523	39%
16	BUGIRI MUNICIPALITY	326,712,000	102,649,282	82,053,000	20,596,282	80%
17	BUGWERI DISTRICT LG	442,946,000	41,665,025	17,550,000	24,115,025	42%
18	BUHWEJU DISTRICT LG	510,480,500	123,247,523	84,300,000	38,947,523	68%
19	BUIKWE DISTRICT LG	501,423,000	121,566,422	91,682,595	29,883,827	75%
20	BUKEDEA DISTRICT LG	946,184,104	558,736,363	407,000,000	151,736,363	73%
21	BUKOMANSIMBI DISTRICT LG	518,603,500	127,840,981	80,228,650	47,612,331	63%
22	BUKWO DISTRICT LG	508,995,000	137,959,123	72,519,000	65,440,123	53%
23	BULAMBULI DISTRICT LG	775,382,900	323,973,429	284,068,282	39,905,147	88%
24	BULIISA DISTRICT LG	618,802,800	95,211,943	69,950,000	25,261,943	73%
25	BUNDIBUGYO DISTRICT LG	794,588,000	131,271,074	110,971,738	20,299,336	85%
26	BUNYANGABU DISTRICT LG	637,018,148	234,530,081	210,916,000	23,614,081	90%
27	BUSHENYI DISTRICT LG	653,147,964	188,483,831	199,251,440	010,767,609	106%
28	BUSHENYI ISHAKA MUNICIPALITY	240,765,500	115,860,435	67,690,000	48,170,435	58%

sn	LOCAL GOVERNMENT	CUMM. AMOUNT DISBURSED (UGX)	CUMM0AMOUNT DUE (UGX)	CUMMULATIVE RECOVERIES AS AT 30TH JUNE02022	CUMMULATIVE AMOUNT DUE AS AT 30TH JUNE02022	% recovery
29	BUSIA DISTRICT LG	877,436,200	130,470,017	45,710,000	84,760,017	35%
30	BUSIA MUNICIPALITY	255,040,500	82,873,381	22,660,000	60,213,381	27%
31	BUTALEJJA DISTRICT LG	589,399,981	108,645,044	60,410,000	48,235,044	56%
32	BUTAMBALA DISTRICT LG	222,005,000	83,791,608	24,460,000	59,331,608	29%
33	BUTEBO DISTRICT LG	413,556,983	71,834,523	15,695,000	56,139,523	22%
34	BUVUMA DISTRICT LG	324,932,876	56,295,691	24,294,000	32,001,691	43%
35	BUYENDE DISTRICT LG	742,856,800	130,571,476	81,880,000	48,691,476	63%
36	DOKOLO DISTRICT LG	483,795,552	212,248,095	140,750,000	71,498,095	66%
37	ENTEBBE MUNICIPALITY	524,609,760	53,858,481	44,300,000	9,558,481	82%
38	FORT PORTAL CITY	283,810,712	101,118,930	86,002,776	15,116,154	85%
39	GOMBA DISTRICT LG	609,138,000	120,927,647	90,410,000	30,517,647	75%
40	GULU CITY	279,191,000	93,359,170	39,739,000	53,620,170	43%
41	GULU DISTRICT LG	720,577,500	219,063,099	159,545,858	59,517,241	73%
42	HOIMA CITY	571,448,295	116,823,184	88,100,000	28,723,184	75%
43	HOIMA DISTRICT LG	823,518,800	145,047,542	131,700,000	13,347,542	91%
44	IBANDA DISTRICT LG	769,091,476	428,829,644	403,144,800	25,684,844	94%
45	IBANDA MUNICIPALITY	521,719,270	239,823,474	186,530,000	53,293,474	78%
46	IGANGA DISTRICT LG	639,396,000	132,957,043	60,685,000	72,272,043	46%
47	IGANGA MUNICIPALITY	371,019,547	88,323,643	55,250,000	33,073,643	63%
48	ISINGIRO DISTRICT LG	936,815,000	290,695,242	274,860,000	15,835,242	95%
49	JINJA CITY	412,187,200	237,855,722	49,156,360	188,699,362	21%
50	JINJA DISTRICT LG	891,665,000	295,490,454	242,523,009	52,967,445	82%
51	KAABONG DISTRICT LG	374,851,000	88,179,025	81,413,656	6,765,369	92%
52	KABALE DISTRICT LG	791,496,495	257,503,130	246,307,063	11,196,067	96%
53	KABALE MUNICIPALITY	277,961,224	103,351,523	78,380,000	24,971,523	76%
54	KABAROLE DISTRICT LG	841,227,642	291,572,229	273,759,000	17,813,229	94%
55	KABERAMAIDO DISTRICT LG	422,315,694	102,280,963	57,987,600	44,293,363	57%
56	KAGADI DISTRICT LG	1,127,690,096	373,226,132	259,232,430	113,993,702	69%
57	KAKUMIRO DISTRICT LG	689,973,693	243,007,573	218,250,000	24,757,573	90%
58	KALAKI DISTRICT LG	344,948,035	97,873,200	36,262,850	61,610,350	37%
59	KALANGALA DISTRICT LG	447,073,300	76,826,081	43,554,900	33,271,181	57%
60	KALIRO DISTRICT LG	794,576,000	128,217,134	116,493,754	11,723,380	91%
61	KALUNGU DISTRICT LG	585,465,000	196,827,230	167,160,000	29,667,230	85%
62	KAMULI DISTRICT LG	1,021,431,000	162,739,407	153,828,186	8,911,221	95%
63	KAMULI MUNICIPALITY	405,575,000	107,533,241	31,540,000	75,993,241	29%

sn	LOCAL GOVERNMENT	CUMM. AMOUNT DISBURSED (UGX)	CUMM0AMOUNT DUE (UGX)	CUMMULATIVE RECOVERIES AS AT 30TH JUNE02022	CUMMULATIVE AMOUNT DUE AS AT 30TH JUNE02022	% recovery
64	KAMWENGE DISTRICT LG	809,623,000	418,104,523	350,957,000	67,147,523	84%
65	KANUNGU DISTRICT LG	859,570,180	225,479,662	197,030,000	28,449,662	87%
66	KAPCHORWA DISTRICT LG	669,008,191	145,223,523	105,356,700	39,866,823	73%
67	KAPCHORWA MUNICIPALITY	464,121,450	90,606,619	56,000,000	34,606,619	62%
68	KAPELEBYONG DISTRICT LG	382,835,500	98,062,200	33,570,000	64,492,200	34%
69	KARENGA DISTRICT LG	471,310,000	89,298,343	0	89,298,343	0%
70	KASESE DISTRICT LG	1,750,446,800	411,264,520	323,125,000	88,139,520	79%
71	KASESE MUNICIPALITY	415,580,300	212,191,923	139,550,000	72,641,923	66%
72	KASSANDA DISTRICT LG	361,456,000	172,335,423	11,279,400	161,056,023	7%
73	KATAKWI DISTRICT LG	676,070,200	175,271,863	145,126,385	30,145,478	83%
74	KAYUNGA DISTRICT LG	797,528,118	211,726,673	186,147,950	25,578,723	88%
75	KAZO DISTRICT LG	523,586,352	255,338,343	64,100,000	191,238,343	25%
76	KIBAALE DISTRICT LG	914,082,011	331,341,810	285,920,850	45,420,960	86%
77	KIBOGA DISTRICT LG	646,062,144	163,003,660	136,382,417	26,621,243	84%
78	KIBUKU DISTRICT LG	738,161,981	153,937,325	47,239,150	106,698,175	31%
79	KIKUUBE DISTRICT LG	618,079,000	154,804,527	136,751,923	18,052,604	88%
80	KIRA MUNICIPALITY	1,423,212,000	368,034,875	213,027,392	155,007,483	58%
81	KIRUHURA DISTRICT LG	828,932,000	581,956,000	457,599,050	124,356,950	79%
82	KIRYANDONGO DISTRICT LG	474,679,500	128,795,990	25,650,000	103,145,990	20%
83	KISORO DISTRICT LG	929,341,500	475,430,790	414,103,000	61,327,790	87%
84	KISORO MUNICIPALITY	479,761,230	145,415,323	95,050,000	50,365,323	65%
85	KITAGWENDA DISTRICT LG	496,544,700	116,454,543	94,554,100	21,900,443	81%
86	KITGUM DISTRICT LG	935,545,500	122,684,648	80,000,000	42,684,648	65%
87	KITGUM MUNICIPALITY	652,082,205	233,316,741	69,084,614	164,232,127	30%
88	KOBOKO DISTRICT LG	812,129,800	350,573,560	292,281,488	58,292,072	83%
89	KOBOKO MUNICIPALITY	423,780,004	214,725,623	125,634,000	89,091,623	59%
90	KOLE DISTRICT LG	770,191,493	438,873,000	348,000,000	90,873,000	79%
91	KOTIDO DISTRICT LG	740,758,556	122,860,621	67,200,000	55,660,621	55%
92	KOTIDO MUNICIPALITY	641,199,237	188,479,200	129,929,000	58,550,200	69%
93	KUMI DISTRICT LG	657,498,500	290,541,125	246,044,500	44,496,625	85%
94	KUMI MUNICIPALITY	412,001,000	211,033,123	153,734,700	57,298,423	73%
95	KWANIA DISTRICT LG	357,876,500	81,419,385	65,330,000	16,089,385	80%
96	KWEEN DISTRICT LG	624,522,226	190,160,074	161,907,150	28,252,924	85%
97	KYANKWANZI DISTRICT LG	580,235,550	249,957,134	261,129,500	011,172,366	104%
98	KYEGEGWA DISTRICT LG	865,954,000	389,581,439	362,150,000	27,431,439	93%

sn	LOCAL GOVERNMENT	CUMM. AMOUNT DISBURSED (UGX)	CUMM0AMOUNT DUE (UGX)	CUMMULATIVE RECOVERIES AS AT 30TH JUNE02022	CUMMULATIVE AMOUNT DUE AS AT 30TH JUNE02022	% recovery
99	KYENJOJO DISTRICT LG	1,046,072,500	291,995,597	306,101,300	014,105,703	105%
100	KYOTERA DISTRICT LG	613,911,204	213,233,773	124,728,610	88,505,163	58%
101	LAMWO DISTRICT LG	596,943,500	111,150,523	76,561,000	34,589,523	69%
102	LIRA CITY	678,511,406	128,345,423	45,200,000	83,145,423	35%
103	LIRA DISTRICT LG	816,929,261	212,305,871	218,297,000	05,991,129	103%
104	LUGAZI MUNICIPALITY	316,341,670	90,430,081	71,800,000	18,630,081	79%
105	LUUKA DISTRICT LG	562,966,000	80,932,325	27,392,000	53,540,325	34%
106	LUWERO DISTRICT LG	848,820,716	185,323,965	233,047,450	047,723,485	126%
107	LWENGO DISTRICT LG	747,362,069	154,941,223	120,467,200	34,474,023	78%
108	LYANTONDE DISTRICT LG	586,866,500	214,359,912	204,652,177	9,707,735	95%
109	MADI0OKOLLO DISTRICT LG	259,376,700	62,298,343	8,430,000	53,868,343	14%
110	MAKINDYE SSABAGABO MUNICIPALITY	1,011,071,614	134,980,903	113,300,000	21,680,903	84%
111	MANAFWA DISTRICT LG	606,972,155	121,215,223	77,000,000	44,215,223	64%
112	MARACHA DISTRICT LG	622,960,050	145,222,523	105,900,000	39,322,523	73%
113	MASAKA CITY	217,266,207	160,030,150	14,514,786	145,515,364	9%
114	MASAKA DISTRICT LG	637,743,929	245,651,906	152,400,000	93,251,906	62%
115	MASINDI DISTRICT LG	615,674,000	222,475,523	203,049,600	19,425,923	91%
116	MASINDI MUNICIPALITY	242,561,224	68,963,525	57,400,000	11,563,525	83%
117	MAYUGE DISTRICT LG	1,052,114,000	212,887,340	124,941,950	87,945,390	59%
118	MBALE CITY	531,844,100	277,248,075	43,810,000	233,438,075	16%
119	MBALE DISTRICT LG	873,059,400	216,808,343	198,369,000	18,439,343	91%
120	MBARARA CITY	217,917,000	209,215,423	93,900,000	115,315,423	45%
121	MBARARA DISTRICT LG	828,110,125	198,423,643	187,247,800	11,175,843	94%
122	MITOMA DISTRICT LG	496,942,565	136,235,200	120,554,960	15,680,240	88%
123	MITYANA DISTRICT LG	888,815,328	315,412,538	287,950,000	27,462,538	91%
124	MITYANA MUNICIPALITY	357,822,947	165,470,698	98,869,300	66,601,398	60%
125	MOROTO DISTRICT LG	648,066,000	144,435,077	81,189,350	63,245,727	56%
126	MOROTO MUNICIPALITY	126,884,500	74,332,147	36,388,225	37,943,922	49%
127	MOYO DISTRICT LG	332,674,086	154,641,923	86,194,600	68,447,323	56%
128	MPIGI DISTRICT LG	280,530,000	77,185,148	51,200,000	25,985,148	66%
129	MUBENDE DISTRICT LG	542,425,000	127,623,843	104,900,000	22,723,843	82%
130	MUBENDE MUNICIPALITY	326,890,800	62,294,914	61,497,925	796,989	99%
131	MUKONO DISTRICT LG	1,362,525,050	172,564,533	144,396,000	28,168,533	84%
132	MUKONO MUNICIPALITY	1,106,525,000	160,091,081	121,197,460	38,893,621	76%
133	NABILATUK DISTRICT LG	276,452,379	66,125,906	37,547,000	28,578,906	57%

sn	LOCAL GOVERNMENT	CUMM. AMOUNT DISBURSED (UGX)	CUMM0AMOUNT DUE (UGX)	CUMMULATIVE RECOVERIES AS AT 30TH JUNE02022	CUMMULATIVE AMOUNT DUE AS AT 30TH JUNE02022	% recovery
134	NAKAPIRIPIRIT DISTRICT LG	633,660,996	106,243,140	63,712,000	42,531,140	60%
135	NAKASEKE DISTRICT LG	688,221,700	108,911,452	104,729,844	4,181,608	96%
136	NAKASONGOLA DISTRICT LG	381,872,100	140,922,474	110,922,600	29,999,874	79%
137	NAMAYINGO DISTRICT LG	600,527,200	144,409,191	71,217,600	73,191,591	49%
138	NAMISINDWA DLG	295,365,000	149,773,944	33,450,000	116,323,944	22%
139	NAMUTUMBA DISTRICT LG	752,775,500	64,321,699	31,070,978	33,250,721	48%
140	NANSANA MUNICIPALITY	676,032,215	451,645,643	360,515,341	91,130,302	80%
141	NAPAK DISTRICT LG	877,618,852	213,349,978	169,600,000	43,749,978	79%
142	NEBBI DISTRICT LG	704,433,441	172,495,729	193,942,800	021,447,071	112%
143	NEBBI MUNICIPALITY	383,845,000	104,638,831	86,516,370	18,122,461	83%
144	NGORA DISTRICT LG	622,722,000	169,998,648	78,873,375	91,125,273	46%
145	NJERU MUNICIPALITY	347,310,000	220,919,639	173,377,180	47,542,459	78%
146	NTOROKO DISTRICT LG	477,156,000	145,001,331	133,700,000	11,301,331	92%
147	NTUNGAMO DISTRICT LG	1,362,744,817	331,111,858	282,845,950	48,265,908	85%
148	NTUNGAMO MUNICIPALITY	408,983,001	386,709,914	161,103,950	225,605,964	42%
149	NWOYA DISTRICT LG	650,250,700	148,672,081	70,650,000	78,022,081	48%
150	OBONGI DISTRICT LG	359,960,000	103,379,300	0	103,379,300	0%
151	OMORO DISTRICT LG	581,518,500	220,864,533	103,070,000	117,794,533	47%
152	OTUKE DISTRICT LG	966,201,100	330,552,144	249,300,000	81,252,144	75%
153	OYAM DISTRICT LG	946,368,000	373,643,523	324,189,000	49,454,523	87%
154	PADER DISTRICT LG	740,634,600	61,930,340	41,500,000	20,430,340	67%
155	PAKWACH DISTRICT LG	676,689,000	143,557,223	119,400,000	24,157,223	83%
156	PALLISA DISTRICT LG	933,063,375	176,023,010	65,962,224	110,060,786	37%
157	RAKAI DISTRICT LG	705,036,098	143,852,446	54,871,090	88,981,356	38%
158	RUBANDA DISTRICT LG	607,189,720	156,612,523	127,760,000	28,852,523	82%
159	RUBIRIZI DISTRICT LG	509,568,345	115,930,081	101,541,634	14,388,447	88%
160	RUKIGA DISTRICT LG	573,200,033	220,184,719	162,190,000	57,994,719	74%
161	RUKUNGIRI DISTRICT LG	1,080,960,669	387,044,723	335,129,818	51,914,905	87%
162	RUKUNGIRI MUNICIPALITY	341,872,900	119,220,728	83,150,000	36,070,728	70%
163	RWAMPARA DISTRICT LG	243,901,000	150,873,780	50,215,832	100,657,948	33%
164	SEMBABULE DISTRICT LG	1,090,036,601	306,022,229	241,570,000	64,452,229	79%
165	SERERE DISTRICT LG	864,545,000	150,802,885	109,272,900	41,529,985	72%
166	SHEEMA DISTRICT LG	621,815,538	375,133,695	310,663,966	64,469,729	83%
167	SHEEMA MUNICIPALITY	510,300,400	137,688,747	141,751,674	04,062,927	103%
168	SIRONKO DISTRICT LG	736,228,086	144,214,523	147,800,000	03,585,477	102%

sn	LOCAL GOVERNMENT	CUMM. AMOUNT DISBURSED (UGX)	CUMM0AMOUNT DUE (UGX)	CUMMULATIVE RECOVERIES AS AT 30TH JUNE02022	CUMMULATIVE AMOUNT DUE AS AT 30TH JUNE02022	% recovery
169	SOROTI DISTRICT LG	662,148,400	198,726,221	164,203,110	34,523,111	83%
170	SOROTI MUNICIPALITY	197,112,500	77,016,648	31,595,320	45,421,328	41%
171	TEREGO DISTRICT LG	360,712,000	0	0	0	0%
172	TORORO DISTRICT LG	1,256,906,633	273,422,460	218,163,925	55,258,535	80%
173	TORORO MUNICIPALITY	317,920,000	100,395,162	52,320,000	48,075,162	52%
174	WAKISO DISTRICT LG	2,403,828,950	250,030,081	280,390,000	030,359,919	112%
175	YUMBE DISTRICT LG	681,745,199	122,122,423	77,328,950	44,793,473	63%
176	ZOMBO DISTRICT LG	529,125,000	247,771,355	218,050,000	29,721,355	88%
	Grand Total	**111,476,011,092**	**32,038,054,728**	**22,867,682,221**	**9,170,372,507**	71%
			Untagged	**1,193,646,295**		
			Total Amount Recovered	**24,061,328,516**		

Appendix 4 a: Performance of local revenue and overall revenue performance

SN	Entity Name	Strategic plan	Local Revenue				Overall budget performance			
			Approved Budget	warrants	Uncollected	% collected	Approved Budget	warrants	Variance	%funding
1	Adjumani DLG	Approved	2,043,341,193	1,095,593,562	947,747,631	54%	74,564,243,269	65,081,762,868	9,482,480,401	87%
2	Agago DLG	Approved	400,000,000	151,174,116	248,825,884	38%	43,399,707,209	40,792,823,824	2,606,883,385	94%
3	Alebetong DLG	Approved	362,131,668	241,864,561	120,267,107	67%	32,553,663,224	28,571,101,935	3,982,561,289	88%
4	Amolatar DLG	Not approved	676,169,000	199,455,600	476,713,400	29%	27,359,836,125	25,384,435,037	1,975,401,088	93%
5	Amudat DLG	Not approved	46,873,389	49,352,875	-2,479,486	105%	14,855,634,258	12,678,870,958	2,176,763,300	85%
6	Amuria DLG	Not approved	418,898,685	220,374,599	198,524,086	53%	32,688,127,068	25,871,491,395	6,816,635,673	79%
7	Amuru DLG	Approved	1,380,535,524	1,314,226,405	66,309,119	95%	34,112,080,588	27,941,096,092	6,170,984,496	82%
8	Apac DLG	Not approved	528,543,081	171,236,241	357,306,840	32%	33,226,695,265	30,551,450,807	2,675,244,458	92%
9	Arua DLG	Approved	426,145,850	334,609,880	91,535,970	79%	41,911,273,158	36,447,355,523	5,463,917,635	87%
10	Arua City	Not approved	3,025,192,686	3,000,909,098	24,283,588	99%	45,846,863,296	43,619,346,734	2,227,516,562	95%
11	Budaka DLG	Approved	254,770,000	172,631,000	82,139,000	68%	34,352,643,835	28,161,355,946	6,191,287,889	82%
12	Bugiri DLG	Approved	294,107,000	155,733,750	138,373,250	53%	49,425,746,135	46,894,446,208	2,531,299,927	95%
13	Bugiri MC	Not approved	547,118,000	114,341,325	432,776,675	21%	5,291,047,387	4,848,252,669	442,794,718	92%
14	Bugweri DLG	Not approved	215,222,571	205,508,938	9,713,633	95%	21,572,470,875	20,871,655,883	700,814,992	97%
15	Buhweju DLG	Not approved	155,201,000	109,982,114	45,218,886	71%	23,015,986,480	17,672,156,781	5,343,829,699	77%
16	Buikwe DLG	Approved	1,335,227,000	620,532,502	714,694,498	46%	44,233,191,603	29,338,056,822	14,895,134,781	66%
17	Bukedea DLG	Not approved	85,662,000	182,417,686	-96,755,686	213%	34,675,345,324	34,279,615,346	395,729,978	99%

SN	Entity Name	Strategic plan	Local Revenue				Overall budget performance			
			Approved Budget	warrants	Uncollected	% collected	Approved Budget	warrants	Variance	%funding
18	Bukomansimbi DLG	Approved	151,000,000	111,811,370	39,188,630	74%	24,105,731,733	22,422,186,701	1,683,545,032	93%
19	Bukwo DLG	Not approved	374,939,000	157,463,974	217,475,026	42%	30,297,321,491	29,549,392,248	747,929,243	98%
20	Bulambuli DLG	Not approved	228,801,500	147,321,464	81,480,036	64%	32,147,524,085	30,753,299,409	1,394,224,676	96%
21	Buliisa DLG	Approved	1,087,180,080	262,035,121	825,144,959	24%	20,645,789,080	18,294,791,160	2,350,997,920	89%
22	Bundibugyo DLG	Not approved	756,222,000	221,612,526	534,609,474	29%	42,313,697,300	39,707,332,412	2,606,364,888	94%
23	Bunyangabu DLG	Not approved	487,597,963	211,601,973	275,995,990	43%	26,641,666,138	24,862,898,691	1,778,767,447	93%
24	Bushenyi DLG	Not approved	679,805,428	319,574,800	360,230,628	47%	38,112,899,845	36,980,426,746	1,132,473,099	97%
25	Bushenyi- Ishaka MC	Approved	1,110,440,813	682,780,216	427,660,597	61%	11,707,367,527	11,684,719,691	22,647,836	100%
26	Busia MC	Approved	1,599,880,000	1,074,690,000	525,190,000	67%	18,974,445,278	18,211,535,213	762,910,065	96%
27	Busia DLG	Approved	870,694,980	214,699,540	655,995,440	25%	41,389,214,176	40,095,305,823	1,293,908,353	97%
28	Butaleja DLG	Approved	590,270,351	590,270,351	0	100%	39,255,221,440	38,809,387,923	445,833,517	99%
29	Butambala DLG	Not approved	171,168,775	117,605,961	53,562,814	69%	27,157,962,115	24,985,442,499	2,172,519,616	92%
30	Butebo DLG	Not approved	236,462,411	223,894,411	12,568,000	95%	22,921,655,117	22,909,087,117	12,568,000	100%
31	Buvuma DLG	Not approved	190,468,832	190,468,674	158	100%	19,575,623,876	17,877,060,899	1,698,562,977	91%
32	Buyende DLG	Not approved	384,306,000	240,714,750	143,591,250	63%	28,178,460,604	26,829,931,702	1,348,528,902	95%
33	Dokolo DLG	Approved	418,898,884	163,985,184	254,913,700	39%	32,291,055,177	23,524,159,956	8,766,895,221	73%
34	Entebbe MC	Approved	12,658,554,000	3,125,844,597	9,532,709,403	25%	38,109,359,602	26,888,683,105	11,220,676,497	71%
35	Fort Portal City	Not approved	2,770,000,000	2,082,902,071	687,097,929	75%	32,686,993,162	31,666,904,298	1,020,088,864	97%
36	Gomba DLG	Not approved	617,540,000	285,670,009	331,869,991	46%	24,748,555,674	23,233,954,395	1,514,601,279	94%
37	Gulu City	Approved	3,884,884,200	2,063,169,856	1,821,714,344	53%	51,960,870,117	49,386,722,617	2,574,147,500	95%
38	Gulu DLG	Approved	491,220,977	497,004,131	-5,783,154	101%	34,313,773,463	30,936,957,369	3,376,816,094	90%
39	Hoima City	Not approved	2,134,232,000	1,367,566,622	766,665,378	64%	33,529,655,343	32,440,208,365	1,089,446,978	97%
40	Hoima DLG	Approved	1,345,235,000	731,588,383	613,646,617	54%	37,842,767,262	31,749,623,696	6,093,143,566	84%
41	Ibanda DLG	Approved	818,369,250	894,184,277	-75,815,027	109%	28,725,984,832	27,336,202,032	1,389,782,800	95%
42	Ibanda MC	Approved	1,210,100,000	548,450,672	661,649,328	45%	14,399,870,002	13,531,822,207	868,047,795	94%
43	Iganga DLG	Approved	630,290,000	286,871,529	343,418,471	46%	44,564,346,054	42,585,220,806	1,979,125,248	96%
44	Iganga MC	Not approved	1,173,904,000	143,170,750	1,030,733,250	12%	7,688,860,754	5,967,310,815	1,721,549,939	78%
45	Isingiro DLG	Approved	1,959,976,958	1,795,744,864	164,232,094	92%	119,645,003,524	84,123,856,039	35,521,147,485	70%
46	Jinja City	Approved	10,528,738,497	3,688,588,746	6,840,149,751	35%	58,090,748,734	50,969,290,015	7,121,458,719	88%
47	Jinja DLG	Approved	2,039,503,772	1,526,910,994	512,592,778	75%	44,031,449,723	42,976,051,843	1,055,397,880	98%

SN	Entity Name	Strategic plan	Local Revenue				Overall budget performance			
			Approved Budget	warrants	Uncollected	% collected	Approved Budget	warrants	Variance	%funding
48	Kabale DLG	Not approved	481,087,998	306,504,190	174,583,808	64%	45,945,517,499	45,921,136,512	24,380,987	100%
49	Kabale MC	Not approved	2,935,576,075	1,563,631,571	1,371,944,504	53%	26,030,445,891	24,259,900,946	1,770,544,945	93%
50	Kabarole DLG	Not approved	829,853,000	745,522,932	84,330,068	90%	33,074,418,736	31,780,524,335	1,293,894,401	96%
51	Kaberamaido DLG	Not approved	173,943,938	154,901,305	19,042,633	89%	18,526,562,106	17,634,284,742	892,277,364	95%
52	Kagadi DLG	Approved	897,200,000	211,183,558	686,016,442	24%	55,379,398,541	43,753,100,858	11,626,297,683	79%
53	Kakumiro DLG	Approved	461,508,846	124,740,567	336,768,279	27%	37,535,412,241	34,040,505,106	3,494,907,135	91%
54	Kalaki DLG	Not approved	349,744,290	100,907,318	248,836,972	29%	17,667,299,431	17,103,891,637	563,407,794	97%
55	Kalangala DLG	Not approved	624,837,273	515,843,345	108,993,928	83%	22,894,657,653	19,255,578,562	3,639,079,091	84%
56	Kaliro DLG	Approved	187,672,253	172,120,402	15,551,851	92%	38,169,054,973	35,901,144,843	2,267,910,130	94%
57	Kalungu DLG	Not approved	676,169,000	230,523,533	445,645,467	34%	31,130,305,682	28,795,921,074	2,334,384,608	93%
58	Kamuli DLG	Approved	545,891,000	472,672,928	73,218,072	87%	63,730,997,208	61,487,285,797	2,243,711,411	96%
59	Kamuli MC	Not approved	418,713,267	170,599,249	248,114,018	41%	21,906,393,040	21,130,778,694	775,614,346	96%
60	Kamwenge DLG	Not approved	918,544,000	288,790,481	629,753,519	31%	57,025,692,404	54,827,697,933	2,197,994,471	96%
61	Kanungu DLG	Not approved	1,766,840,753	568,305,566	1,198,535,187	32%	48,137,689,731	44,030,676,812	4,107,012,919	91%
62	Kapchorwa DLG	Not approved	266,229,452	266,229,452	0	100%	21,667,317,765	22,517,959,276	-850,641,511	104%
63	Kapchorwa MC	Approved	301,000,000	173,046,718	127,953,282	57%	8,646,096,869	8,395,473,308	250,623,561	97%
64	Kapelebyong DLG	Approved	287,353,782	201,344,966	86,008,816	70%	16,088,411,706	15,569,721,601	518,690,105	97%
65	Kasese MC	Not approved	1,238,901,021	911,251,895	327,649,126	74%	32,139,734,547	30,900,924,929	1,238,809,618	96%
66	Kasese DLG	Approved	3,955,789,049	907,750,076	3,048,038,973	23%	93,976,496,887	81,918,725,603	12,057,771,284	87%
67	Kassanda DLG	Not approved	568,555,000	433,426,577	135,128,423	76%	34,316,145,156	32,378,212,359	1,937,932,797	94%
68	Katakwi DLG	Approved	939,561,060	281,674,292	657,886,768	30%	34,728,149,610	32,045,504,801	2,682,644,809	92%
69	Kayunga DLG	Approved	991,923,000	834,518,119	157,404,881	84%	51,936,096,040	48,613,572,001	3,322,524,039	94%
70	Kazo DLG	Approved	824,355,800	543,403,991	280,951,809	66%	20,680,903,925	20,798,136,942	-117,233,017	101%
71	Kibaale DLG	Approved	209,023,387	370,896,191	-161,872,804	177%	31,638,859,347	30,224,714,785	1,414,144,562	96%
72	Kiboga DLG	Not approved	791,913,000	637,280,783	154,632,217	80%	29,731,819,001	27,790,363,854	1,941,455,147	93%
73	Kibuku DLG	Not approved	306,708,460	306,708,460	0	100%	31,508,971,145	28,753,665,289	2,755,305,856	91%
74	Kikuube DLG	Not approved	1,132,183,000	738,344,107	393,838,893	65%	41,730,688,194	39,760,285,943	1,970,402,251	95%
75	Kira MC	Approved	11,495,000,000	8,951,100,810	2,543,899,190	78%	30,980,655,310	27,879,646,471	3,101,008,839	90%
76	Kiruhura DLG	Not approved	1,151,833,000	699,746,048	452,086,952	61%	27,386,019,207	24,387,600,876	2,998,418,331	89%
77	Kiryandongo DLG	Approved	471,559,000	403,536,554	68,022,446	86%	52,766,670,170	47,174,781,543	5,591,888,627	89%

SN	Entity Name	Strategic plan	Local Revenue				Overall budget performance			
			Approved Budget	warrants	Uncollected	% collected	Approved Budget	warrants	Variance	%funding
78	Kisoro DLG	Not approved	656,867,000	415,540,074	241,326,926	63%	46,884,681,674	42,882,291,400	4,002,390,274	91%
79	Kisoro MC	Approved	847,953,750	437,549,299	410,404,451	52%	4,847,827,515	4,326,154,385	521,673,130	89%
80	Kitagwenda DLG	Not approved	718,658,000	485,329,996	233,328,004	68%	22,409,396,887	20,145,817,767	2,263,579,120	90%
81	Kitgum DLG	Not approved	246,456,410	209,159,099	37,297,311	85%	39,622,382,728	33,271,306,168	6,351,076,560	84%
82	Koboko MC	Not approved	470,811,429	262,191,435	208,619,994	56%	18,282,220,808	13,888,053,208	4,394,167,600	76%
83	Koboko DLG	Approved	600,020,900	458,581,155	141,439,745	76%	40,917,533,218	35,409,866,711	5,507,666,507	87%
84	Kole DLG	Not approved	470,000,000	327,984,617	142,015,383	70%	30,655,352,096	28,474,192,096	2,181,160,000	93%
85	Kumi DLG	Not approved	595,722,000	242,114,867	353,607,133	41%	35,434,388,879	33,007,726,183	2,426,662,696	93%
86	Kumi MC	Approved	289,028,880	262,191,435	26,837,445	91%	8,650,048,032	8,126,023,961	524,024,071	94%
87	Kwania DLG	Not approved	516,876,000	230,389,887	286,486,113	45%	26,320,680,937	23,635,325,330	2,685,355,607	90%
88	Kween DLG	Not approved	245,249,248	245,249,248	0	100%	25,314,638,065	24,080,850,750	1,233,787,315	95%
89	Kyankwanzi DLG	Not approved	550,906,000	486,333,433	64,572,567	88%	33,524,306,692	29,961,018,886	3,563,287,806	89%
90	Kyegegwa DLG	Not approved	6,536,925,813	1,029,060,000	5,507,865,813	16%	57,194,657,129	51,906,962,379	5,287,694,750	91%
91	kyenjojo DLG	Not approved	775,927,315	1,063,101,145	-287,173,830	137%	51,421,138,436	48,783,757,564	2,637,380,872	95%
92	Kyotera DLG	Approved	1,027,745,000	549,110,338	478,634,662	53%	40,074,208,794	39,193,598,994	880,609,800	98%
93	Lamwo DLG	Not approved	657,100,000	481,152,000	175,948,000	73%	59,156,122,224	48,320,085,318	10,836,036,906	82%
94	Lira City	Approved	2,182,903,000	2,293,751,035	-110,848,035	105%	54,602,635,918	42,012,644,858	12,589,991,060	77%
95	Lira DLG	Not approved	549,082,499	411,203,136	137,879,363	75%	40,601,721,497	39,485,569,918	1,116,151,579	97%
96	Lugazi MC	Approved	1,379,000,000	1,026,641,138	352,358,862	74%	27,466,324,729	27,142,890,168	323,434,561	99%
97	Luuka DLG	Not approved	152,792,782	131,992,675	20,800,107	86%	31,893,366,224	30,651,591,016	1,241,775,208	96%
98	Luwero DLG	Approved	3,730,453,815	3,445,895,462	284,558,353	92%	72,575,437,151	70,065,278,636	2,510,158,515	97%
99	Lwengo DLG	Approved	701,952,305	324,712,132	377,240,173	46%	34,871,379,840	32,148,893,519	2,722,486,321	92%
100	Lyantonde DLG	Not approved	190,414,000	163,022,974	27,391,026	86%	20,615,225,777	18,928,350,342	1,686,875,435	92%
101	Madi Okollo DLG	Not approved	400,000,000	399,950,000	50,000	100%	43,238,262,670	30,882,287,746	12,355,974,924	71%
102	Makindye- Ssabagabo MC	Not approved	9,340,000,000	4,055,328,959	5,284,671,041	43%	27,649,607,473	21,970,955,485	5,678,651,988	79%
103	Manafwa DLG	Approved	895,377,756	217,345,846	678,031,910	24%	35,400,422,667	32,314,022,238	3,086,400,429	91%
104	Maracha DLG	Approved	183,194,659	231,876,627	-48,681,968	127%	32,902,368,842	30,589,523,882	2,312,844,960	93%
105	Masaka DLG	Approved	355,402,791	199,538,323	155,864,468	56%	21,234,476,329	19,984,292,997	1,250,183,332	94%
106	Masaka City	Approved	4,625,254,101	2,077,839,249	2,547,414,852	45%	42,593,236,710	39,377,424,934	3,215,811,776	92%
107	Masindi MC	Not approved	1,200,000,000	830,374,049	369,625,951	69%	13,419,719,498	13,208,468,876	211,250,622	98%
108	Masindi DLG	Not approved	243,760,982	943,457,214	-699,696,232	387%	35,752,366,348	31,043,870,003	4,708,496,345	87%

SN	Entity Name	Strategic plan	Local Revenue				Overall budget performance			
			Approved Budget	warrants	Uncollected	% collected	Approved Budget	warrants	Variance	%funding
109	Mayuge DLG	Approved	724,322,519	456,810,854	267,511,665	63%	53,568,618,370	50,196,940,048	3,371,678,322	94%
110	Mbale DLG	Not approved	800,000,000	686,232,207	113,767,793	86%	46,450,291,143	44,800,253,897	1,650,037,246	96%
111	Mbale City City	Not approved	1,568,910,374	1,568,910,374	0	100%	54,509,554,490	54,509,554,490	0	100%
112	Mbarara City	Not approved	8,566,518,000	3,398,240,515	5,168,277,485	40%	62,491,147,300	56,163,575,756	6,327,571,544	90%
113	Mbarara DLG	Approved	1,007,858,860	954,417,054	53,441,806	95%	33,082,716,235	31,389,570,562	1,693,145,673	95%
114	Mitooma DLG	Not approved	272,401,746	269,679,336	2,722,410	99%	32,983,982,695	31,033,824,747	1,950,157,948	94%
115	Mityana MC	Not approved	995,000,000	779,374,454	215,625,546	78%	10,826,159,234	10,286,862,838	539,296,396	95%
116	Mityana DLG	Approved	747,345,912	625,146,266	122,199,646	84%	35,784,709,307	34,739,884,076	1,044,825,231	97%
117	Moroto DLG DLG	Not approved	243,760,982	342,226,155	-98,465,173	140%	20,613,541,507	17,127,913,866	3,485,627,641	83%
118	Moroto MC MC	Not approved	618,500,000	260,196,220	358,303,780	42%	11,024,543,654	7,880,859,977	3,143,683,677	71%
119	Moyo DLG	Approved	829,500,000	411,237,981	418,262,019	50%	44,584,616,735	29,195,416,011	15,389,200,724	65%
120	Mpigi DLG	Approved	957,989,671	865,631,127	92,358,544	90%	37,272,189,134	34,682,719,605	2,589,469,529	93%
121	Mubende DLG	Approved	897,123,586	788,963,995	108,159,591	88%	41,878,459,183	39,647,152,652	2,231,306,531	95%
122	Mubende MC	Approved	1,258,773,000	1,159,993,876	98,779,124	92%	31,893,250,334	31,308,367,407	584,882,927	98%
123	Mukono DLG	Not approved	3,250,400,000	1,868,063,243	1,382,336,757	57%	67,010,957,541	57,834,245,531	9,176,712,010	86%
124	Mukono MC	Not approved	4,651,046,000	4,018,792,123	632,253,877	86%	25,270,241,648	22,502,726,784	2,767,514,864	89%
125	Nakapiripit DLG	Not approved	148,005,600	129,336,434	18,669,166	87%	17,779,167,160	13,792,230,712	3,986,936,448	78%
126	Nakaseke DLG	Not approved	1,516,272,349	1,325,697,252	190,575,097	87%	37,474,541,645	35,726,792,690	1,747,748,955	95%
127	Nakasongola DLG	Approved	1,100,421,788	1,155,000,000	-54,578,212	105%	32,965,788,169	31,387,140,337	1,578,647,832	95%
128	Namayingo DLG	Not approved	202,098,818	235,642,000	-33,543,182	117%	46,944,170,455	30,764,093,834	16,180,076,621	66%
129	Namisindwa DLG	Not approved	350,000,000	268,677,925	81,322,075	77%	32,873,774,708	30,276,933,318	2,596,841,390	92%
130	Namutumba DLG	Not approved	294,000,000	165,355,470	128,644,530	56%	35,419,977,308	33,545,828,238	1,874,149,070	95%
131	Nansana MC	Approved	6,444,898,000	5,366,264,000	1,078,634,000	83%	30,743,976,884	28,771,493,569	1,972,483,315	94%
132	Napal DLG DLG	Approved	180,000,000	108,077,220	71,922,780	60%	21,809,898,127	17,502,475,644	4,307,422,483	80%
133	Nebbi DLG	Approved	784,439,352	483,164,250	301,275,102	62%	37,287,079,756	32,975,573,035	4,311,506,721	88%
134	Nebbi MC	Not approved	598,670,000	512,596,367	86,073,633	86%	7,451,912,548	5,315,320,126	2,136,592,422	71%
135	Ngora DLG	Approved	647,768,999	110,233,463	537,535,536	17%	26,819,375,753	22,984,373,307	3,835,002,446	86%
136	Njeru MC	Not approved	3,132,174,000	1,896,542,360	1,235,631,640	61%	14,109,935,127	12,513,270,328	1,596,664,799	89%
137	Ntoroko DLG	Not approved	779,720,000	670,444,400	109,275,600	86%	25,698,930,531	23,319,020,690	2,379,909,841	91%
138	Ntugamo MC	Approved	728,285,983	455,038,837	273,247,146	62%	10,392,027,149	10,006,372,814	385,654,335	96%

SN	Entity Name	Strategic plan	Local Revenue				Overall budget performance			
			Approved Budget	warrants	Uncollected	% collected	Approved Budget	warrants	Variance	%funding
139	Ntungamo DLG	Not approved	841,044,993	781,601,039	59,443,954	93%	67,695,637,954	65,955,356,867	1,740,281,087	97%
140	Nwoya DLG	Not approved	616,930,800	415,250,194	201,680,606	67%	32,485,058,559	26,906,362,637	5,578,695,922	83%
141	Obongi DLG	Approved	700,000,000	597,490,077	102,509,923	85%	41,986,862,000	36,016,551,508	5,970,310,492	86%
142	Otuke DLG	Approved	228,092,000	160,173,671	67,918,329	70%	20,201,376,294	19,045,497,065	1,155,879,229	94%
143	Oyam DLG	Not approved	537,202,262	488,195,784	49,006,478	91%	53,103,660,483	48,266,804,257	4,836,856,226	91%
144	Pader DLG	Not approved	680,000,000	578,854,267	101,145,733	85%	35,994,962,265	32,381,009,380	3,613,952,885	90%
145	Pakwach DLG	Approved	1,200,000,000	614,926,770	585,073,230	51%	25,731,940,711	23,874,245,553	1,857,695,158	93%
146	Pallisa DLG	Not approved	350,775,739	261,119,990	89,655,749	74%	41,643,758,913	40,668,548,479	975,210,434	98%
147	Rakai DLG	Approved	603,561,000	333,191,190	270,369,810	55%	46,186,954,555	43,948,336,253	2,238,618,302	95%
148	Rubanda DLG	Approved	626,742,225	281,418,195	345,324,030	45%	35,214,425,831	32,450,904,042	2,763,521,789	92%
149	Rubirizi DLG	Not approved	380,678,744	739,400,228	-358,721,484	194%	24,006,401,278	23,166,794,758	839,606,520	97%
150	Rukiga DLG	Approved	285,067,000	163,908,112	121,158,888	57%	24,314,101,132	23,721,798,107	592,303,025	98%
151	Rukungiri DLG	Approved	810,772,129	849,092,600	-38,320,471	105%	51,355,266,602	47,948,154,494	3,407,112,108	93%
152	Rukungiri MC	Not approved	1,335,227,000	668,893,017	666,333,983	50%	10,272,380,835	9,588,610,221	683,770,614	93%
153	Rwampara DLG	Approved	745,234,192	533,385,539	211,848,653	72%	24,175,275,736	23,245,993,216	929,282,520	96%
154	Sembabule DLG	Approved	627,023,378	340,394,556	286,628,822	54%	37,545,800,141	34,093,818,966	3,451,981,175	91%
155	Serere DLG	Approved	1,025,011,000	546,946,847	478,064,153	53%	38,607,615,248	36,425,484,861	2,182,130,387	94%
156	Sheema DLG	Not approved	420,769,091	353,075,957	67,693,134	84%	31,452,986,897	30,512,174,022	940,812,875	97%
157	Sheema MC	Approved	619,400,000	546,913,248	72,486,752	88%	15,355,009,702	14,776,377,415	578,632,287	96%
158	Sironko DLG	Not approved	591,585,500	465,233,872	126,351,628	79%	43,715,442,166	40,673,330,239	3,042,111,927	93%
159	Soroti City	Not approved	1,649,003,857	358,525,368	1,290,478,489	22%	32,245,918,630	27,191,436,469	5,054,482,161	84%
160	Soroti DLG	Not approved	540,790,750	310,871,016	229,919,734	57%	34,283,509,969	32,154,680,153	2,128,829,816	94%
161	Terego DLG	Approved	297,285,815	246,155,248	51,130,567	83%	53,145,429,300	51,009,048,929	2,136,380,371	96%
162	Tororo MC	Not approved	1,252,552,400	681,308,108	571,244,292	54%	21,090,022,092	20,366,168,079	723,854,013	97%
163	Tororo DLG	Approved	1,956,905,259	990,626,970	966,278,289	51%	75,686,836,586	71,852,450,728	3,834,385,858	95%
164	Wakiso DLG	Not approved	15,623,633,000	7,028,521,352	8,595,111,648	45%	102,023,553,805	86,711,358,646	15,312,195,159	85%
165	Yumbe DLG	Approved	403,949,980	555,422,781	-151,472,801	137%	101,060,085,683	87,975,942,483	13,084,143,200	87%
166	Zombo DLG	Approved	1,123,200,000	1,123,200,000	0	100%	30,237,259,913	30,237,259,913	0	100%
167	Omoro DLG	Approved	518,437,999	186,431,384	332,006,615	36%	30,896,907,475	26,863,805,127	4,033,102,348	87%
168	Kitgum MC	Not approved	1,035,307,000	166,223,778	869,083,222	16%	18,339,777,183	17,240,456,470	1,099,320,713	94%
169	Bududa DLG	Approved	265,253,000	114,537,000	150,716,000	43%	36,499,141,640	34,905,387,096	1,593,754,544	96%

SN	Entity Name	Strategic plan	Local Revenue				Overall budget performance			
			Approved Budget	warrants	Uncollected	% collected	Approved Budget	warrants	Variance	%funding
	Total		**223,518,772,109**	**131,349,888,815**	**92,168,883,294**	**71%**	**5,995,310,337,537**	**5,426,900,787,092**	**568,409,550,445**	**91%**

Appendix 4 b: Absorption of funds, excess release of wage, transfer to LLGs and off budget

SN	Entity Name	Absorption				Excess release of wage	Transfer to LLGs	Off Budget Financing/Receipts
		warrants	Expenditure	Unspent	% Absorbed			
1	Adjumani DLG	65,081,762,868	55,863,018,510	9,218,744,358	86%	0	0	0
2	Agago DLG	40,792,823,824	31,559,613,577	9,233,210,247	77%	0	0	0
3	Alebetong DLG	28,571,101,935	25,297,831,543	3,273,270,392	89%	0	0	0
4	Amolatar DLG	25,384,435,037	21,691,339,510	3,693,095,527	85%	0	0	0
5	Amudat DLG	12,678,870,958	11,785,826,432	893,044,526	93%	0	0	0
6	Amuria DLG	25,871,491,395	24,993,962,356	877,529,039	97%	0	20,000,000	0
7	Amuru DLG	27,941,096,092	25,663,369,367	2,277,726,725	92%	0	0	0
8	Apac DLG	30,551,450,807	24,775,547,183	5,775,903,624	81%	0	0	0
9	Arua DLG	36,447,355,523	31,687,629,736	4,759,725,787	87%	0	0	0
10	Arua City	43,619,346,734	42,964,622,565	654,724,169	98%	0	0	0
11	Budaka DLG	28,161,355,946	27,882,061,613	279,294,333	99%	0	0	0
12	Bugiri DLG	46,894,446,208	42,395,130,251	4,499,315,957	90%	0	0	0
13	Bugiri MC	4,848,252,669	4,479,742,910	368,509,759	92%	0	0	0
14	Bugweri DLG	20,871,655,883	18,506,249,124	2,365,406,759	89%	0	0	0
15	Buhweju DLG	17,672,156,781	17,382,765,587	289,391,194	98%	0	0	0
16	Buikwe DLG	29,338,056,822	26,667,236,368	2,670,820,454	91%	0	0	0
17	Bukedea DLG	34,279,615,346	34,278,449,788	1,165,558	100%	0	0	0
18	Bukomansimbi DLG	22,422,186,701	20,735,843,588	1,686,343,113	92%	0	41,557,219	0
19	Bukwo DLG	29,549,392,248	23,245,791,632	6,303,600,616	79%	0	0	0
20	Bulambuli DLG	30,753,299,409	26,959,482,154	3,793,817,255	88%	0	0	0
21	Buliisa DLG	18,294,791,160	16,419,229,225	1,875,561,935	90%	0	0	0

SN	Entity Name	Absorption				Excess release of wage	Transfer to LLGs	Off Budget Financing/Receipts
		warrants	Expenditure	Unspent	% Absorbed			
22	Bundibugyo DLG	39,707,332,412	36,643,497,580	3,063,834,832	92%	0	0	0
23	Bunyangabu DLG	24,862,898,691	20,561,778,975	4,301,119,716	83%	2,052,937,854	0	0
24	Bushenyi DLG	36,980,426,746	34,439,580,522	2,540,846,224	93%	0	0	0
25	Bushenyi- Ishaka MC	11,684,719,691	11,292,130,344	392,589,347	97%	0	0	0
26	Busia MC	18,211,535,213	17,637,648,532	573,886,681	97%	0	0	0
27	Busia DLG	40,095,305,823	19,196,790,749	20,898,515,074	48%	0	20,078,498	0
28	Butaleja DLG	38,809,387,923	34,243,631,347	4,565,756,576	88%	0	0	0
29	Butambala DLG	24,985,442,499	22,376,845,377	2,608,597,122	90%	0	0	0
30	Butebo DLG	22,909,087,117	22,478,362,026	430,725,091	98%	0	0	0
31	Buvuma DLG	17,877,060,899	14,138,521,798	3,738,539,101	79%	0	0	0
32	Buyende DLG	26,829,931,702	26,468,947,497	360,984,205	99%	0	0	0
33	Dokolo DLG	23,524,159,956	23,288,388,774	235,771,182	99%	0	0	0
34	Entebbe MC	26,888,683,105	22,048,720,146	4,839,962,959	82%	0	0	0
35	Fort Portal City	31,666,904,298	24,431,286,453	7,235,617,845	77%	0	0	0
36	Gomba DLG	23,233,954,395	20,882,997,994	2,350,956,401	90%	0	0	0
37	Gulu City	49,386,722,617	45,917,881,177	3,468,841,440	93%	0	0	0
38	Gulu DLG	30,936,957,369	23,679,289,662	7,257,667,707	77%	4,001,598,220	0	0
39	Hoima City	32,440,208,365	25,077,585,804	7,362,622,561	77%	2,101,550,903	0	0
40	Hoima DLG	31,749,623,696	30,024,039,766	1,725,583,930	95%	0	0	0
41	Ibanda DLG	27,336,202,032	26,127,146,420	1,209,055,612	96%	0	0	0
42	Ibanda MC	13,531,822,207	12,752,370,415	779,451,792	94%	0	0	0
43	Iganga DLG	42,585,220,806	40,633,136,852	1,952,083,954	95%	0	0	0
44	Iganga MC	5,967,310,815	5,957,338,084	9,972,731	100%	0	0	0
45	Isingiro DLG	84,123,856,039	73,305,756,498	10,818,099,541	87%	0	524,019,290	0
46	Jinja City	50,969,290,015	45,789,531,939	5,179,758,076	90%	0	124,937,495	0
47	Jinja DLG	42,976,051,843	37,876,440,343	5,099,611,500	88%	2,971,814,746	0	0
48	Kabale DLG	45,921,136,512	42,840,442,007	3,080,694,505	93%	0	0	0
49	Kabale MC	24,259,900,946	18,754,562,405	5,505,338,541	77%	0	0	0
50	Kabarole DLG	31,780,524,335	25,404,608,862	6,375,915,473	80%	2,397,749,672	0	0
51	Kaberamaido DLG	17,634,284,742	16,893,157,922	741,126,820	96%	0	0	0
52	Kagadi DLG	43,753,100,858	34,264,467,846	9,488,633,012	78%	4,587,724,191	585,148,825	0
53	Kakumiro DLG	34,040,505,106	28,100,149,304	5,940,355,802	83%	4,022,406,792	0	0
54	Kalaki DLG	17,103,891,637	13,429,786,442	3,674,105,195	79%	2,011,872,321	0	0

SN	Entity Name	Absorption				Excess release of wage	Transfer to LLGs	Off Budget Financing/Receipts
		warrants	Expenditure	Unspent	% Absorbed			
55	Kalangala DLG	19,255,578,562	17,414,057,912	1,841,520,650	90%	0	176,510,000	0
56	Kaliro DLG	35,901,144,843	34,021,715,732	1,879,429,111	95%	0	0	0
57	Kalungu DLG	28,795,921,074	27,148,879,609	1,647,041,465	94%	0	0	0
58	Kamuli DLG	61,487,285,797	54,146,395,385	7,340,890,412	88%	2,379,521,144	64,362,709	0
59	Kamuli MC	21,130,778,694	14,046,495,603	7,084,283,091	66%	0	0	0
60	Kamwenge DLG	54,827,697,933	43,687,085,450	11,140,612,483	80%	0	209,067,094	0
61	Kanungu DLG	44,030,676,812	42,369,401,889	1,661,274,923	96%	0	38,504,645	0
62	Kapchorwa DLG	22,517,959,276	19,748,553,077	2,769,406,199	88%	0	0	0
63	Kapchorwa MC	8,395,473,308	7,997,225,401	398,247,907	95%	0	0	0
64	Kapelebyong DLG	15,569,721,601	12,235,337,606	3,334,383,995	79%	0	0	0
65	Kasese MC	30,900,924,929	28,458,875,148	2,442,049,781	92%	0	64,733,154	0
66	Kasese DLG	81,918,725,603	78,576,105,971	3,342,619,632	96%	0	0	0
67	Kassanda DLG	32,378,212,359	30,930,307,115	1,447,905,244	96%	0	0	0
68	Katakwi DLG	32,045,504,801	30,127,091,367	1,918,413,434	94%	0	0	0
69	Kayunga DLG	48,613,572,001	46,099,338,233	2,514,233,768	95%	0	0	773,412,069
70	Kazo DLG	20,798,136,942	18,199,280,618	2,598,856,324	88%	0	0	0
71	Kibaale DLG	30,224,714,785	25,820,356,610	4,404,358,175	85%	0	0	0
72	Kiboga DLG	27,790,363,854	26,318,651,550	1,471,712,304	95%	0	52,265,069	0
73	Kibuku DLG	28,753,665,289	25,972,461,234	2,781,204,055	90%	0	0	0
74	Kikuube DLG	39,760,285,943	36,404,274,857	3,356,011,086	92%	2,089,356,961	0	0
75	Kira MC	27,879,646,471	26,368,296,040	1,511,350,431	95%	0	0	0
76	Kiruhura DLG	24,387,600,876	23,043,919,729	1,343,681,147	94%	0	1,140,291,802	0
77	Kiryandongo DLG	47,174,781,543	38,282,883,956	8,891,897,587	81%	2,595,952,499	0	0
78	Kisoro DLG	42,882,291,400	42,455,392,088	426,899,312	99%	0	0	0
79	Kisoro MC	4,326,154,385	3,887,968,240	438,186,145	90%	0	0	0
80	Kitagwenda DLG	20,145,817,767	18,803,315,637	1,342,502,130	93%	0	0	0
81	Kitgum DLG	33,271,306,168	32,504,037,997	767,268,171	98%	0	0	0
82	Koboko MC	13,888,053,208	10,699,321,135	3,188,732,073	77%	0	0	0
83	Koboko DLG	35,409,866,711	33,272,440,212	2,137,426,499	94%	0	0	0
84	Kole DLG	28,474,192,096	26,922,628,239	1,551,563,857	95%	0	53,722,664	0
85	Kumi DLG	33,007,726,183	31,841,309,685	1,166,416,498	96%	0	0	0
86	Kumi MC	8,126,023,961	7,548,239,062	577,784,899	93%	0	185,139,760	0
87	Kwania DLG	23,635,325,330	19,196,790,749	4,438,534,581	81%	0	0	0
88	Kween DLG	24,080,850,750	20,536,831,697	3,544,019,053	85%	0	0	0

SN	Entity Name	Absorption				Excess release of wage	Transfer to LLGs	Off Budget Financing/Receipts
		warrants	Expenditure	Unspent	% Absorbed			
89	Kyankwanzi DLG	29,961,018,886	27,044,826,001	2,916,192,885	90%	0	0	0
90	Kyegegwa DLG	51,906,962,379	42,010,275,479	9,896,686,900	81%	0	169,906,666	0
91	kyenjojo DLG	48,783,757,564	42,013,520,258	6,770,237,306	86%	0	0	0
92	Kyotera DLG	39,193,598,994	35,926,005,558	3,267,593,436	92%	0	0	0
93	Lamwo DLG	48,320,085,318	41,646,778,955	6,673,306,363	86%	0	0	0
94	Lira City	42,012,644,858	35,186,882,702	6,825,762,156	84%	2,012,273,042	0	0
95	Lira DLG	39,485,569,918	32,066,592,440	7,418,977,478	81%	0	300,110,546	0
96	Lugazi MC	27,142,890,168	19,986,329,853	7,156,560,315	74%	0	0	0
97	Luuka DLG	30,651,591,016	27,645,019,299	3,006,571,717	90%	0	0	0
98	Luwero DLG	70,065,278,636	0	70,065,278,636	0%	0	0	0
99	Lwengo DLG	32,148,893,519	28,622,557,089	3,526,336,430	89%	0	0	0
100	Lyantonde DLG	18,928,350,342	17,315,185,791	1,613,164,551	91%	0	23,137,182	0
101	Madi Okollo DLG	30,882,287,746	27,937,245,343	2,945,042,403	90%	0	0	0
102	Makindye- Ssabagabo MC	21,970,955,485	0	21,970,955,485	0%	0	0	0
103	Manafwa DLG	32,314,022,238	28,143,462,499	4,170,559,739	87%	0	0	0
104	Maracha DLG	30,589,523,882	26,104,276,925	4,485,246,957	85%	2,540,902,310	0	0
105	Masaka DLG	19,984,292,997	18,413,164,851	1,571,128,146	92%	0	0	0
106	Masaka City	39,377,424,934	35,434,227,386	3,943,197,548	90%	0	0	0
107	Masindi MC	13,208,468,876	12,410,985,990	797,482,886	94%	0	0	0
108	Masindi DLG	31,043,870,003	28,286,651,936	2,757,218,067	91%	0	0	0
109	Mayuge DLG	50,196,940,048	45,670,547,383	4,526,392,665	91%	0	0	0
110	Mbale DLG	44,800,253,897	43,021,470,498	1,778,783,399	96%	0	0	0
111	Mbale City City	54,509,554,490	52,440,655,447	2,068,899,043	96%	0	0	0
112	Mbarara City	56,163,575,756	37,529,896,173	18,633,679,583	67%	2,497,489,578	0	0
113	Mbarara DLG	31,389,570,562	29,057,935,457	2,331,635,105	93%	0	0	0
114	Mitooma DLG	31,033,824,747	28,534,656,313	2,499,168,434	92%	0	0	0
115	Mityana MC	10,286,862,838	10,120,930,540	165,932,298	98%	0	0	0
116	Mityana DLG	34,739,884,076	34,060,294,580	679,589,496	98%	0	0	0
117	Moroto DLG DLG	17,127,913,866	14,133,470,694	2,994,443,172	83%	0	0	0
118	Moroto MC MC	7,880,859,977	7,433,003,905	447,856,072	94%	0	0	0
119	Moyo DLG	29,195,416,011	27,516,553,465	1,678,862,546	94%	0	0	0
120	Mpigi DLG	34,682,719,605	32,974,065,081	1,708,654,524	95%	0	0	0

SN	Entity Name	Absorption				Excess release of wage	Transfer to LLGs	Off Budget Financing/Receipts
		warrants	**Expenditure**	**Unspent**	**% Absorbed**			
121	Mubende DLG	39,647,152,652	34,923,221,857	4,723,930,795	88%	0	1,138,791,914	0
122	Mubende MC	31,308,367,407	26,727,376,138	4,580,991,269	85%	0	0	0
123	Mukono DLG	57,834,245,531	55,901,318,197	1,932,927,334	97%	0	0	0
124	Mukono MC	22,502,726,784	18,587,918,237	3,914,808,547	83%	0	0	0
125	Nakapiripit DLG	13,792,230,712	12,945,450,637	846,780,075	94%	0	148,785,780	0
126	Nakaseke DLG	35,726,792,690	33,314,456,534	2,412,336,156	93%	0	0	0
127	Nakasongola DLG	31,387,140,337	30,027,827,577	1,359,312,760	96%	0	0	400,000,000
128	Namayingo DLG	30,764,093,834	26,542,664,138	4,221,429,696	86%	0	0	0
129	Namisindwa DLG	30,276,933,318	28,725,738,658	1,551,194,660	95%	0	0	0
130	Namutumba DLG	33,545,828,238	31,116,858,743	2,428,969,495	93%	0	0	0
131	Nansana MC	28,771,493,569	26,482,840,811	2,288,652,758	92%	0	0	0
132	Napal DLG DLG	17,502,475,644	16,530,012,194	972,463,450	94%	0	0	0
133	Nebbi DLG	32,975,573,035	31,506,692,387	1,468,880,648	96%	0	0	0
134	Nebbi MC	5,315,320,126	4,846,497,885	468,822,241	91%	0	0	0
135	Ngora DLG	22,984,373,307	22,162,388,727	821,984,580	96%	0	0	0
136	Njeru MC	12,513,270,328	12,507,550,990	5,719,338	100%	0	0	0
137	Ntoroko DLG	23,319,020,690	17,838,045,388	5,480,975,302	76%	2,448,236,990	0	0
138	Ntugamo MC	10,006,372,814	6,421,172,764	3,585,200,050	64%	0	0	0
139	Ntungamo DLG	65,955,356,867	59,053,809,204	6,901,547,663	90%	0	0	0
140	Nwoya DLG	26,906,362,637	23,984,644,132	2,921,718,505	89%	0	0	0
141	Obongi DLG	36,016,551,508	31,128,601,256	4,887,950,252	86%	0	0	0
142	Otuke DLG	19,045,497,065	17,609,180,705	1,436,316,360	92%	0	0	342,888,374
143	Oyam DLG	48,266,804,257	42,073,370,843	6,193,433,414	87%	0	0	0
144	Pader DLG	32,381,009,380	31,488,029,130	892,980,250	97%	0	172,984,126	0
145	Pakwach DLG	23,874,245,553	20,530,628,195	3,343,617,358	86%	2,457,707,239	29,000,000	0
146	Pallisa DLG	40,668,548,479	37,753,661,347	2,914,887,132	93%	0	0	0
147	Rakai DLG	43,948,336,253	42,336,787,704	1,611,548,549	96%	0	0	0
148	Rubanda DLG	32,450,904,042	30,989,097,975	1,461,806,067	95%	0	0	0
149	Rubirizi DLG	23,166,794,758	20,530,176,600	2,636,618,158	89%	0	0	350,890,654
150	Rukiga DLG	23,721,798,107	20,362,927,389	3,358,870,718	86%	0	0	0
151	Rukungiri DLG	47,948,154,494	46,890,746,619	1,057,407,875	98%	0	0	0
152	Rukungiri MC	9,588,610,221	8,847,154,258	741,455,963	92%	0	0	0
153	Rwampara DLG	23,245,993,216	19,456,469,037	3,789,524,179	84%	2,542,813,461	0	0
154	Sembabule DLG	34,093,818,966	32,559,068,877	1,534,750,089	95%	0	0	0
155	Serere DLG	36,425,484,861	34,358,443,242	2,067,041,619	94%	0	0	0

SN	Entity Name	Absorption				Excess release of wage	Transfer to LLGs	Off Budget Financing/Receipts
		warrants	Expenditure	Unspent	% Absorbed			
156	Sheema DLG	30,512,174,022	27,211,027,636	3,301,146,386	89%	0	0	0
157	Sheema MC	14,776,377,415	13,914,040,913	862,336,502	94%	0	0	0
158	Sironko DLG	40,673,330,239	38,374,226,581	2,299,103,658	94%	0	0	0
159	Soroti City	27,191,436,469	26,510,579,363	680,857,106	97%	0	0	0
160	Soroti DLG	32,154,680,153	29,546,319,610	2,608,360,543	92%	0	0	0
161	Terego DLG	51,009,048,929	0	51,009,048,929	0%	6,426,650,108	0	0
162	Tororo MC	20,366,168,079	19,681,780,810	684,387,269	97%	0	0	0
163	Tororo DLG	71,852,450,728	61,209,067,941	10,643,382,787	85%	0	1,210,847,439	0
164	Wakiso DLG	86,711,358,646	79,119,713,715	7,591,644,931	91%	0	0	0
165	Yumbe DLG	87,975,942,483	74,669,888,209	13,306,054,274	85%	2,447,372,714	0	1,803,548,082
166	Zombo DLG	30,237,259,913	26,476,136,554	3,761,123,359	88%	0	0	0
167	Omoro DLG	26,863,805,127	25,046,339,947	1,817,465,180	93%	0	0	0
168	Kitgum MC	17,240,456,470	16,734,894,910	505,561,560	97%	0	0	0
169	Bududa DLG	34,905,387,096	31,716,472,984	3,188,914,112	91%	0	0	0
	Total	**5,426,900,787,092**	**4,723,235,613,153**	**703,665,173,939**	**87%**	**54585930745**	**6,493,901,877**	**3,670,739,179**

Appendix 4 b: Misclassification and unaccounted for funds

		Misclassification					Unaccounted for funds			
SN	Entity Name	Salary, pension and gratuity	Irrigation	Exgratia	Other expenditure lines	Total	Administrative expenses	PDM	Support to Organized Groups for improvement of people's livelihood	Total
1	Adjumani DLG	283,297,027	0	0	429,130,982	712,428,009	0	0	0	0
2	Agago DLG	0	0	0	0	0	0	56,193,109	0	56,193,109
3	Alebetong DLG	7,952,644	0	0	0	7,952,644	0	0	0	0
4	Amolatar DLG	70,075,090	0	0	67,447,800	137,522,890	0	0	0	0
5	Amudat DLG	0	0	0	0	0	0	0	0	0
6	Amuria DLG	17,066,509	0	0	0	17,066,509	0	0	0	0
7	Amuru DLG	0	963,852,269	0	0	963,852,269	114,673,100	0	0	114,673,100
8	Apac DLG	67,495,851	0	0	287,520,571	355,016,422	109,792,094	0	0	109,792,094
9	Arua DLG	794,958,743	0	0	167,286,000	962,244,743	0	0	0	0
10	Arua City	0	0	0	187,258,150	187,258,150	47,314,916	0	0	47,314,916
11	Budaka DLG	0	0	0	0	0	0	0	0	0
12	Bugiri DLG	280,574,190	0	227,015,000	103,525,024	611,114,214	0	0	0	0
13	Bugiri MC	0	0	0	0	0	0	0	0	0
14	Bugweri DLG	41,833,700	0	12,939,800	41,833,700	96,607,200	0	0	0	0
15	Buhweju DLG	0	0	0	0	0	0	0	0	0
16	Buikwe DLG	0	600,773,617	0	0	600,773,617	0	0	0	0
17	Bukedea DLG	19,917,472	0	144,169,020	0	164,086,492	0	0	0	0
18	Bukomansimbi DLG	0	320,084,565	58,800,000	0	378,884,565	0	0	0	0
19	Bukwo DLG	0	0	0	0	0	27,449,000	0	0	27,449,000
20	Bulambuli DLG	0	0	0	0	0	0	0	0	0
21	Buliisa DLG	0	0	0	321,458,342	321,458,342	240,409,967	12,260,000	8,000,000	260,669,967
22	Bundibugyo DLG	0	0	1,755,000	0	1,755,000	0	0	0	0
23	Bunyangabu DLG	15,870,937	0	0	0	15,870,937	0	0	0	0
24	Bushenyi DLG	0	78,378,605	0	0	78,378,605	0	0	0	0
25	Bushenyi- Ishaka MC	0	0	0	0	0	0	0	0	0
26	Busia MC	0	0	0	14,201,118	14,201,118	0	0	0	0
27	Busia DLG	0	0	0	264,035,358	264,035,358	54,448,772	0	0	54,448,772
28	Butaleja DLG	0	0	0	0	0	0	0	0	0
29	Butambala DLG	0	221,610,994	0	0	221,610,994	0	0	0	0
30	Butebo DLG	0	0	0	0	0	38,526,000	0	0	38,526,000
31	Buvuma DLG	0	0	0	0	0	0	0	0	0

		Misclassification					Unaccounted for funds			
SN	Entity Name	Salary, pension and gratuity	Irrigation	Exgratia	Other expenditure lines	Total	Administrative expenses	PDM	Support to Organized Groups for improvement of people's livelihood	Total
32	Buyende DLG	0	0	0	0	0	0	0	0	0
33	Dokolo DLG	0	0	0	0	0	0	0	0	0
34	Entebbe MC	0	0	0	0	0	0	0	0	0
35	Fort Portal City	0	0	0	0	0	0	0	0	0
36	Gomba DLG	0	0	0	0	0	0	0	0	0
37	Gulu City	0	0	0	0	0	464,967,732	11,233,000	0	476,200,732
38	Gulu DLG	41,648,614	0	0	146,888,000	188,536,614	0	0	0	0
39	Hoima City	0	0	0	0	0	0	0	0	0
40	Hoima DLG	0	0	0	5,782,116,807	5,782,116,807	0	0	53,000,000	53,000,000
41	Ibanda DLG	42,269,313	562,258,360	0	0	604,527,673	0	0	0	0
42	Ibanda MC	0	0	0	0	0	0	0	0	0
43	Iganga DLG	0	293,479,474	0	0	293,479,474	0	0	0	0
44	Iganga MC	0	0	0	0	0	0	0	0	0
45	Isingiro DLG	0	0	0	0	0	0	0	0	0
46	Jinja City	0	0	0	116,271,108	116,271,108	0	0	0	0
47	Jinja DLG	0	265,244,129	0	0	265,244,129	0	0	0	0
48	Kabale DLG	240,859,233	0	0	0	240,859,233	0	0	0	0
49	Kabale MC	0	0	0	0	0	0	0	0	0
50	Kabarole DLG	0	0	0	0	0	0	0	0	0
51	Kaberamaido DLG	301,075,279	0	0	433,609,995	734,685,274	0	0	0	0
52	Kagadi DLG	26,145,379	0	0	425,128,812	451,274,191	0	0	0	0
53	Kakumiro DLG	0	0	0	0	0	0	0	0	0
54	Kalaki DLG	0	0	0	19,191,575	19,191,575	0	0	0	0
55	Kalangala DLG	0	0	0	0	0	0	120,800,452	0	120,800,452
56	Kaliro DLG	0	0	0	0	0	0	0	0	0
57	Kalungu DLG	0	245,494,700	0	0	245,494,700	0	0	0	0
58	Kamuli DLG	0	277,743,610	0	0	277,743,610	0	0	0	0
59	Kamuli MC	0	0	0	0	0	0	0	0	0
60	Kamwenge DLG	113,533,667	422,241,549	0	0	535,775,216	0	0	0	0
61	Kanungu DLG	0	0	0	0	0	0	0	0	0
62	Kapchorwa DLG	96,353,925	41,395,400	0	0	137,749,325	0	0	0	0
63	Kapchorwa MC	0	0	0	0	0	0	0	0	0

		Misclassification					Unaccounted for funds			
SN	Entity Name	Salary, pension and gratuity	Irrigation	Exgratia	Other expenditure lines	Total	Administrative expenses	PDM	Support to Organized Groups for improvement of people's livelihood	Total
64	Kapelebyong DLG	0	0	0	39,863,133	39,863,133	0	0	0	0
65	Kasese MC	0	0	0	0	0	0	0	0	0
66	Kasese DLG	0	0	0	0	0	0	0	0	0
67	Kassanda DLG	0	0	0	0	0	0	0	0	0
68	Katakwi DLG	132,328,151	0	0	50,959,223	183,287,374	341,474,505	0	0	341,474,505
69	Kayunga DLG	0	789,024,134	0	0	789,024,134	0	0	0	0
70	Kazo DLG	0	0	0	0	0	0	0	0	0
71	Kibaale DLG	243,808,456	343,540,164	0	248,884,954	836,233,574	0	0	0	0
72	Kiboga DLG	70,074,082	0	0	0	70,074,082	0	0	0	0
73	Kibuku DLG	0	0	0	0	0	0	0	0	0
74	Kikuube DLG	0	0	0	0	0	0	0	0	0
75	Kira MC	0	0	0	0	0	0	0	0	0
76	Kiruhura DLG	0	0	0	0	0	0	0	0	0
77	Kiryandongo DLG	44,741,863	0	0	89,110,097	133,851,960	0	0	0	0
78	Kisoro DLG	0	0	0	0	0	0	0	0	0
79	Kisoro MC	0	0	0	0	0	0	0	0	0
80	Kitagwenda DLG	0	240,883,874	0	143,211,756	384,095,630	0	0	0	0
81	Kitgum DLG	0	0	334,000	91,922,468	92,256,468	0	241,516,100	0	241,516,100
82	Koboko MC	0	0	0	0	0	0	0	0	0
83	Koboko DLG	0	0	0	0	0	0	11,300,040	0	11,300,040
84	Kole DLG	138,070,066	0	0	0	138,070,066	59,029,970	0	0	59,029,970
85	Kumi DLG	210,121,994	0	0	139,189,753	349,311,747	21,161,426	0	0	21,161,426
86	Kumi MC	0	0	0	31,406,925	31,406,925	0	0	0	0
87	Kwania DLG	46,649,913	0	0	0	46,649,913	0	0	0	0
88	Kween DLG	0	0	0	0	0	0	0	0	0
89	Kyankwanzi DLG	5,461,304	0	0	152,595,184	158,056,488	0	0	0	0
90	Kyegegwa DLG	3,330,693	921,616,030	0	0	924,946,723	0	0	0	0
91	kyenjojo DLG	0	816,122,258	0	0	816,122,258	0	0	0	0
92	Kyotera DLG	0	206,116,680	0	0	206,116,680	0	0	0	0
93	Lamwo DLG	106,680,222	0	0	0	106,680,222	31,862,000	0	0	31,862,000
94	Lira City	0	0	0	0	0	0	0	0	0
95	Lira DLG	98,046,752	0	0	0	98,046,752	0	0	0	0

		Misclassification					Unaccounted for funds			
SN	**Entity Name**	**Salary, pension and gratuity**	**Irrigation**	**Exgratia**	**Other expenditure lines**	**Total**	**Administrative expenses**	**PDM**	**Support to Organized Groups for improvement of people's livelihood**	**Total**
96	Lugazi MC	0	0	0	0	0	0	0	0	0
97	Luuka DLG	0	185,288,340	0	0	185,288,340	0	0	0	0
98	Luwero DLG	0	496,853,038	0	0	496,853,038	0	0	0	0
99	Lwengo DLG	0	349,181,500	0	0	349,181,500	0	0	0	0
100	Lyantonde DLG	0	0	0	0	0	0	0	0	0
101	Madi Okollo DLG	152,818,453	0	64,347,624	0	217,166,077	0	0	0	0
102	Makindye- Ssabagabo MC	0	0	0	0	0	0	0	0	0
103	Manafwa DLG	0	178,080,000	0	0	178,080,000	0	0	0	0
104	Maracha DLG	0	0	0	0	0	0	0	0	0
105	Masaka DLG	0	191,012,556	0	0	191,012,556	0	0	0	0
106	Masaka City	0	0	1,050,000	0	1,050,000	0	0	0	0
107	Masindi MC	0	0	0	724,089,374	724,089,374	0	0	0	0
108	Masindi DLG	0	0	0	274,546,863	274,546,863	0	0	0	0
109	Mayuge DLG	0	691,749,954	0	0	691,749,954	0	0	0	0
110	Mbale DLG	0	978,155,227	0	0	978,155,227	0	0	0	0
111	Mbale City City	0	0	0	0	0	0	0	0	0
112	Mbarara City	0	0	0	0	0	0	0	0	0
113	Mbarara DLG	0	0	0	0	0	0	0	0	0
114	Mitooma DLG	0	0	0	0	0	0	0	0	0
115	Mityana MC	0	0	0	212,684,427	212,684,427	0	0	0	0
116	Mityana DLG	13,354,277	959,359,474	0	0	972,713,751	0	0	0	0
117	Moroto DLG DLG	61,218,062	0	0	0	61,218,062	32,121,000	0	0	32,121,000
118	Moroto MC MC	0	0	0	93,678,751	93,678,751	43,885,966	0	0	43,885,966
119	Moyo DLG	0	0	6,700,766	90,047,094	96,747,860	0	0	0	0
120	Mpigi DLG	0	682,186,048	0	0	682,186,048	0	0	0	0
121	Mubende DLG	0	360,241,350	0	0	360,241,350	0	0	0	0
122	Mubende MC	0	0	0	0	0	0	0	0	0
123	Mukono DLG	0	1,192,689,171	0	0	1,192,689,171	0	0	0	0
124	Mukono MC	0	0	0	123,531,970	123,531,970	0	0	0	0
125	Nakapiripit DLG	206,356,796	0	0	0	206,356,796	0	0	0	0
126	Nakaseke DLG	1,689,071	687,041,722	0	0	688,730,793	18,579,130	0	0	18,579,130

		Misclassification					Unaccounted for funds			
SN	Entity Name	Salary, pension and gratuity	Irrigation	Exgratia	Other expenditure lines	Total	Administrative expenses	PDM	Support to Organized Groups for improvement of people's livelihood	Total
127	Nakasongola DLG	41,613,733	0	0	0	41,613,733	0	0	0	0
128	Namayingo DLG	36,843,688	0	0	0	36,843,688	0	0	0	0
129	Namisindwa DLG	0	0	0	0	0	0	0	0	0
130	Namutumba DLG	271,169,442	0	0	153,019,013	424,188,455	0	0	0	0
131	Nansana MC	0	0	0	0	0	0	0	0	0
132	Napal DLG DLG	0	0	0	0	0	255,002,000	0	0	255,002,000
133	Nebbi DLG	0	0	0	0	0	0	0	0	0
134	Nebbi MC	0	0	0	0	0	0	0	0	0
135	Ngora DLG	0	0	0	23,641,000	23,641,000	0	0	0	0
136	Njeru MC	0	0	0	36,732,050	36,732,050	0	0	0	0
137	Ntoroko DLG	0	0	0	0	0	0	0	0	0
138	Ntugamo MC	0	0	0	0	0	0	0	0	0
139	Ntungamo DLG	15,020,229	229,477,125	0	0	244,497,354	0	0	0	0
140	Nwoya DLG	0	1,282,287,149	0	120,040,211	1,402,327,360	0	0	0	0
141	Obongi DLG	0	0	0	0	0	0	0	0	0
142	Otuke DLG	109,944,652	0	0	99,132,476	209,077,128	0	0	0	0
143	Oyam DLG	0	0	0	388,608,220	388,608,220	0	0	0	0
144	Pader DLG	0	0	0	157,329,446	157,329,446	65,770,718	0	0	65,770,718
145	Pakwach DLG	0	0	5,500,000	0	5,500,000	14,670,200	0	0	14,670,200
146	Pallisa DLG	0	0	2,427,469	115,027,538	117,455,007	0	0	0	0
147	Rakai DLG	0	450,270,049	0	0	450,270,049	0	0	0	0
148	Rubanda DLG	0	0	0	0	0	0	0	0	0
149	Rubirizi DLG	76,714,874	0	0	0	76,714,874	0	0	0	0
150	Rukiga DLG	2,673,536	0	0	0	2,673,536	0	0	0	0
151	Rukungiri DLG	0	1,182,235,981	0	0	1,182,235,981	0	0	0	0
152	Rukungiri MC	0	0	0	0	0	0	0	0	0
153	Rwampara DLG	0	0	0	0	0	0	0	0	0
154	Sembabule DLG	0	381,925,415	0	0	381,925,415	0	0	0	0
155	Serere DLG	0	0	0	275,490,964	275,490,964	0	0	0	0
156	Sheema DLG	0	0	0	0	0	0	0	0	0
157	Sheema MC	0	0	0	0	0	0	0	0	0
158	Sironko DLG	0	244,992,927	0	0	244,992,927	0	0	0	0

		Misclassification					Unaccounted for funds			
SN	Entity Name	Salary, pension and gratuity	Irrigation	Exgratia	Other expenditure lines	Total	Administrative expenses	PDM	Support to Organized Groups for improvement of people's livelihood	Total
159	Soroti City	151,786,440	0	0	0	151,786,440	0	0	0	0
160	Soroti DLG	0	0	0	62,521,446	62,521,446	0	0	0	0
161	Terego DLG	0	0	0	107,769,500	107,769,500	0	0	0	0
162	Tororo MC	0	0	0	0	0	0	0	0	0
163	Tororo DLG	241,169,147	421,412,670	0	0	662,581,817	0	0	0	0
164	Wakiso DLG	0	970,978,292	0	0	970,978,292	0	0	0	0
165	Yumbe DLG	0	0	0	0	0	0	0	0	0
166	Zombo DLG	0	0	0	0	0	0	0	0	0
167	Omoro DLG	519,003,445	753,058,716	0	207,187,886	1,479,250,047	0	0	0	0
168	Kitgum MC	0	0	0	0	0	0	0	0	0
169	Bududa DLG	0	0	0	0	0	0	0	0	0
	Total	5,461,616,914	20,478,337,116	525,038,679	13,059,125,064	39,524,117,773	1,981,138,496	453,302,701	61,000,000	2,495,441,197

Appendix 4 c: Ex-gratia payments

SN	Entity Name	Funding of Ex-gratia for Councillors				Underpayment of Councillors	
		Approved Estimate (UGX.)	Release (UGX.)	Under funding (UGX.)	% Variance	No. of councillors under/not paid	Amount not/underpaid
1	Agago DLG	0	0	0	0	3	1,245,500
2	Amudat DLG	0	0	0	0	8	24,000,000
3	Amuria DLG	0	0	0	0	32	57,000,000
4	Apac DLG	0	0	0	0	23	56,227,000
5	Bugiri DLG	104,400,000	-	104,400,000	100%	14	10,675,000
6	Bugweri DLG	116,400,000	109,160,000	7,240,000	6%	13	9,750,000
7	Buhweju DLG	79,800,000	59,850,000	19,950,000	25%	26	13,965,000
8	Bukedea DLG	144,169,020		144,169,020	100%	380	28,500,000
9	Bukwo DLG	105,900,000	88,436,274	17,463,726	16%	56	6,720,000
10	Bunyangabu DLG	212,160,000	179,744,319	32,415,681	15%		
11	Butambala DLG	119,220,000	97,169,071	22,050,929	18%	289	43,250,000
12	Buyende DLG	229,020,000	199,783,352	29,236,648	13%		
13	Gomba DLG	0	0	0	0	18	13,950,000
14	Jinja City	269,040,000	97,074,000	171,966,000	64%		
15	Kaliro DLG	0	0	0	0	6	5,794,800

SN	Entity Name	Funding of Ex-gratia for Councillors				Underpayment of Councillors	
		Approved Estimate (UGX.)	Release (UGX.)	Under funding (UGX.)	% Variance	No. of councillors under/not paid	Amount not/underpaid
16	Kamuli DLG	0	0	0	0	387	63,876,000
17	Kapelebyong DLG	333,584,420	300,509,420	33,075,000	10%	105	33,075,000
18	Kasese MC	0	0	0	0	2	1,575,000
19	Katakwi DLG	0	0	0	0	218	22,890,000
20	Kiboga DLG	0	0	0	0	1	500,000
21	Kibuku DLG	175,440,000	118,080,000	57,360,000	33%		
22	Kisoro DLG	124,800,000	85,440,000	39,360,000	32%	39	4,680,000
23	Kitagwenda DLG	194,100,000	121,000,000	73,100,000	38%	25	6,250,000
24	Kitgum DLG	0	0	0	0	38	155,904,507
25	Kyegegwa DLG	310,380,000	476,381,887	-166,001,887	-53%		
26	Lamwo DLG	0	0	0	0	174	79,779,000
27	Lira City	360,480,000	118,320,000	242,160,000	67%		
28	Luuka DLG	187,680,000	144,416,000	43,264,000	23%		
29	Luwero DLG	361,291,540	358,410,200	2,881,340	1%	0	-
30	Maracha DLG	321,960,000	200,000,000	121,960,000	38%	507	158,100,000
31	Mbarara City	258,480,000	219,413,000	39,067,000	15%	65	66,600,000
32	Moyo DLG	12,320,000	0	12,320,000	100%	31	4,340,000
33	Mubende MC	0	0	0	0	1	525,000
34	Nakaseke DLG	147,120,000	132,840,000	14,280,000	10%	102	12,240,000
35	Nakasongola DLG	234,780,000	196,157,000	38,623,000	16%	28	7,429,800
36	Namutumba DLG	250,260,000	124,697,919	125,562,081	50%		61,800,000
37	Napal DLG DLG	0	0	0	0	95	53,200,000
38	Nebbi MC	0	0	0	0	20	10,000,000
39	Ngora DLG	170,940,000	124,167,039	46,772,961	27%	0	12,132,055
40	Ntoroko DLG	174,660,000	147,793,407	26,866,593	15%	5	5,890,000
41	Obongi DLG	0	0	0	0	84	10,080,000
42	Pakwach DLG	65,400,000	30,740,000	34,660,000	53%	0	0
43	Pallisa DLG	338,460,000	224,124,030	114,335,970	34%	0	0
44	Serere DLG	230,700,000	199,719,486	30,980,514	13%	0	0
45	Sironko DLG	0	0	0	0	10	60,000,000
46	Soroti City	64,680,000	55,080,000	9,600,000	15%	169	20,280,000
47	Yumbe DLG	534,060,000	276,000,000	258,060,000	48%	0	0
48	Omoro DLG	58,800,000	58,800,000	0	0	28	46,600,000
	Total	**6,290,484,980**	**4,543,306,404**	**1,747,178,576**	**28%**	**3,002**	**1,168,823,662**

Appendix 5 a: Parish Development Model – funding

sn	Entity name	No. of gazetted parishes	No. of SACCOs funded	SACCOs not funded	SACCOs funded in un-gazetted parishes	Approved budget (UGX)	Release (UGX)	Variance (UGX)	Planned funding per SACCO (UGX)	Actual funding per SACCO (UGX)	Funding gap per PDM SACCO (UGX)
1	Kagadi DLG	151	0	151	0	2,625,752,313	1,638,280,159	987,472,154	11,946,385	0	11,946,385
2	Kibaale DLG	57	57	0	0	991,178,025	618,781,601	372,396,424	11,946,385	7,833,456	4,112,929
3	Kyankwanzi DLG	119	117	2	0	2,069,301,492	1,241,761,074	827,540,418	11,946,385	9,584,569	2,361,816
4	Buliisa DLG	37	37	0	0	643,396,262	378,223,568	265,172,694	11,946,385	6,097,127	5,849,258
5	Kiboga DLG	58	58	0	0	1,008,567,113	793,049,020	215,518,093	11,946,385	11,614,600	331,785
6	Kiryandongo DLG	43	43	0	0	777,773,770	475,060,913	302,712,857	11,946,385	7,105,909	4,840,476
7	Kayunga DLG	57	71	0	0	1,234,625,259	703,992,280	530,632,979	11,946,385	0	11,946,385
8	Kira MC	6	3	3	0	104,334,529	76,793,676	27,540,853	11,946,385	17,000,000	05,053,615
9	Mukono DLG	88	88	0	0	1,530,239,758	1,007,444,869	522,794,889	11,946,385	7,105,000	4,841,385
10	Nakaseke DLG	72	72	0	0	1,234,625,259	681,238,785	553,386,474	11,946,385	8,628,335	3,318,050
11	Nansana MC	29	13	16	0	507,132,026	286,736,255	220,395,771	11,946,385	17,000,000	05,053,615
12	Wakiso DLG	100	98	2	0	1,738,908,817	1,139,324,157	599,584,660	11,946,385	10,428,988	1,517,397
13	Buhweju DLG	68	68	0	0	1,182,458,000	737,768,551	444,689,449	11,946,385	7,531,680	4,414,705
14	Kabale DLG	67	67	0	0	1,165,068,887	702,794,039	462,274,848	11,946,385	0	11,946,385
15	Kanungu DLG	98	36	62	0	1,704,130,640	881,051,146	823,079,494	11,946,385	17,000,000	05,053,615
16	Kisoro DLG	58	58	0	0	1,000,332,478	652,450,147	347,882,331	11,946,385	7,600,000	4,346,385
17	Mbarara City	23	23	0	0	399,949,028	249,539,361	150,409,667	11,946,385	6,609,316	5,337,069
18	Rubirizi DLG	53	52	1	0	921,621,673	584,421,623	337,200,050	11,946,385	8,171,435	3,774,950
19	Rukungiri DLG	57	39	18	0	1,304,181,582	853,987,586	450,193,996	11,946,385	0	11,946,385
20	Rwampara DLG	29	29	0	0	504,283,557	314,636,582	189,646,975	11,946,385	7,115,692	4,830,693
21	Bugiri DLG	98	37	61	0	1,704,130,640	974,895,667	729,234,973	11,946,385	17,459,459	05,513,074
22	Bugiri MC	4	4	0	0	69,556,352	48,212,048	21,344,304	11,946,385	7,672,300	4,274,085
23	Bugweri DLG	36	18	18	0	626,007,174	410,972,260	215,034,914	11,946,385	17,812,103	05,865,718
24	Iganga DLG	42	21	21	0	730,341,703	436,031,002	294,310,701	11,946,385	17,000,000	05,053,615
25	Iganga MC	11	11	0	0	191,279,969	117,785,902	73,494,067	11,946,385	7,272,727	4,673,658
26	Jinja City	26	26	0	0	452,116,292	288,106,284	164,010,008	11,946,385	7,530,677	4,415,708
27	Jinja DLG	34	30	4	0	591,228,997	371,671,768	219,557,229	11,946,385	7,187,894	4,758,491
28	Kamuli MC	10	10	0	0	219,456,294	89,860,982	129,595,312	11,946,385	8,505,497	3,440,888
29	Luuka DLG	64	30	34	0	1,112,901,643	694,385,933	418,515,710	11,946,385	17,000,000	05,053,615
30	Mayuge DLG	84	45	39	0	1,460,683,406	855,900,681	604,782,725	11,946,385	17,000,000	05,053,615
31	Namayingo DLG	50	22	28	0	869,454,408	532,276,091	337,178,317	11,946,385	17,000,000	05,053,615
32	Nebbi MC	9	9	0	0	156,501,794	98,726,810	57,774,984	11,946,385	9,518,650	2,427,735
33	Butaleja DLG	76	33	43	0	1,321,570,700	681,306,967	640,263,733	11,946,385	13,756,443	01,810,058

sn	Entity name	No. of gazetted parishes	No. of SACCOs funded	SACCOs not funded	SACCOs funded in un-gazetted parishes	Approved budget (UGX)	Release (UGX)	Variance (UGX)	Planned funding per SACCO (UGX)	Actual funding per SACCO (UGX)	Funding gap per PDM SACCO (UGX)
34	Tororo DLG	172	155	17	0	2,695,308,665	1,764,595,230	930,713,435	11,946,385	11,843,328	103,057
35	Kazo DLG	28	28	0	0	962,600,000	533,000,000	429,600,000	11,946,385	17,000,000	05,053,615
36	Kiruhura DLG	56	30	26	0	973,788,937	608,122,913	365,666,024	11,946,385	0	11,946,385
37	Mbale DLG	90	67	23	0	1,558,108,934	966,351,955	591,756,979	11,946,385	9,766,538	2,179,847
38	Bududa DLG	159	159	0	0	2,764,865,000	1,725,014,000	1,039,851,000	11,946,385	7,105,908	4,840,477
39	Mityana DLG	75	72	3	0	1,304,181,612	801,359,558	502,822,054	11,946,385	7,398,362	4,548,023
40	Nakasongola DLG	68	64	4	0	1,182,458,062	723,455,289	459,002,773	11,946,385	7,856,479	4,089,906
41	Mitooma DLG	77	73	4	0	1,338,959,789	835,414,386	503,545,403	11,946,385	8,464,000	3,482,385
42	Rubanda DLG	69	69	0	0	1,255,229,083	804,000,086	451,228,997	11,946,385	0	11,946,385
43	Rukiga DLG	30	13	17	0	510,000,000	213,177,269	296,822,731	11,946,385	0	11,946,385
44	Sheema MC	23		23	0	399,949,028	246,994,197	152,954,831	11,946,385	0	11,946,385
45	Bukedea DLG	152	152	0	0	2,642,641,400	1,649,129,760	993,511,640	11,946,385	7,105,909	4,840,476
46	Katakwi DLG	109	109	0	0	1,895,410,610	1,182,599,585	712,811,025	11,946,385	7,766,696	4,179,689
47	Soroti DLG	54	54	0	0	939,010,765	591,913,215	347,097,550	11,946,385	7,217,727	4,728,658
48	Moroto DLG	37	37	0	0	660,785,350	639,263,734	21,521,616	11,946,385	13,456,173	01,509,788
49	Nakapiripirit DLG	35	0	35	0	608,618,080	382,504,853	226,113,227	11,946,385	0	11,946,385
50	Mbale City	58	47	11	0	915,367,114	503,124,372	412,242,742	11,946,385	8,178,944	3,767,441
51	Sironko DLG	224	224	0	0	3,514,562,960	2,175,786,452	1,338,776,508	11,946,385	8,001,789	3,944,596
52	Butebo DLG	61	61	0	0	1,060,734,379	637,888,975	422,845,404	11,946,385	4,446,599	7,499,786
53	Namisindwa DLG	163	163	0	0	2,734,422,000	1,768,474,747	965,947,253	11,946,385	7,703,031	4,243,354
54	Makindye Ssabagabo MC	11	8	3	0	134,520,000	78,296,547	56,223,453	11,946,385	9,233,905	2,712,480
55	Mityana MC	15	5	10	0	260,836,322	162,743,063	98,093,259	11,946,385	17,000,000	05,053,615
56	Mpigi DLG	56	54	2	0	973,788,937	607,574,098	366,214,839	11,946,385	5,037,591	6,908,794
57	Ibanda DLG	40	40	0	0	695,293,530	437,551,080	257,742,450	11,946,385	9,903,080	2,043,305
58	Mbarara DLG	57	57	0	0	799,878,055	499,196,841	300,681,214	11,946,385	7,833,456	4,112,929
59	Sheema DLG	51	51	0	0	817,287,144	504,972,175	312,314,969	11,946,385	6,548,582	5,397,803
60	Njeru MC	16	16	0	0	278,225,411	161,665,675	116,559,736	11,946,385	9,050,000	2,896,385
61	Namutumba DLG	111	53	58	0	1,930,188,786	1,204,298,661	725,890,125	11,946,385	17,000,000	05,053,615
62	Lugazi MC	20	19	1	0	347,781,763	216,024,740	131,757,023	11,946,385	7,057,608	4,888,777
63	Kamuli DLG	80	77	3	0	1,391,127,054	858,276,431	532,850,623	11,946,385	9,780,894	2,165,491
64	Kaliro DLG	86	86	0	0	1,512,850,670	968,119,291	544,731,379	11,946,385	7,759,998	4,186,387
65	Buyende DLG	73	67	6	0	1,269,404,964	792,017,235	477,387,729	11,946,385	7,105,909	4,840,476
66	Bushenyi DLG	56	56	0	0	991,178,025	618,423,636	372,754,389	11,946,385	8,928,596	3,017,789
67	Ishaka0 Bushenyi MC	16	16	0	0	278,225,411	151,659,103	126,566,308	11,946,385	8,605,036	3,341,349

sn	Entity name	No. of gazetted parishes	No. of SACCOs funded	SACCOs not funded	SACCOs funded in un-gazetted parishes	Approved budget (UGX)	Release (UGX)	Variance (UGX)	Planned funding per SACCO (UGX)	Actual funding per SACCO (UGX)	Funding gap per PDM SACCO (UGX)
68	Isingiro DLG	131	131	0	0	2,277,970,559	1,421,290,075	856,680,484	11,946,385	7,105,914	4,840,471
69	Kabale MC			0	0	0	0	0	11,946,385	0	11,946,385
70	Kisoro MC	7	7	0	0	121,723,618	71,710,564	50,013,054	11,946,385	7,129,561	4,816,824
71	Ntungamo DLG	129	126	3	0	2,243,192,372	1,401,258,493	841,933,879	11,946,385	17,000,000	05,053,615
72	Ntungamo MC	6	0	6	0	187,559,595	50,468,190	137,091,405	11,946,385	0	11,946,385
73	Rukungiri MC	12	12	0	0	208,669,055	130,504,374	78,164,681	11,946,385	9,554,365	2,392,020
74	Hoima City	16	16	0	0				11,946,385	5,973,192	5,973,193
75	Masindi DLG	46	45	1	0				11,946,385	6,500,998	5,445,387
76	Masindi MC	11	11	0	0	191,279,970	126,113,007	65,166,963	11,946,385	7,656,031	4,290,354
77	Kikuube DLG	57	57	0	0	504,283,556	314,636,586	189,646,970	11,946,385	7,105,909	4,840,476
78	Hoima DLG	55	51	4	0	956,399,849	630,266,756	326,133,093	11,946,385	7,217,678	4,728,707
79	Kakumiro DLG	105	100	5	0	1,825,854,258	1,174,545,966	651,308,292	11,946,385	7,911,596	4,034,789
80	Kween DLG	101	101	0	0	1,756,298,000	1,096,823,403	659,474,597	11,946,385	9,063,935	2,882,450
81	Bulambuli DLG	122	121	1	0	2,121,468,756	1,262,609,025	858,859,731	11,946,385	9,656,027	2,290,358
82	Busia MC	8	8	0	0	139,113,706	85,712,532	53,401,174	11,946,385	7,100,000	4,846,385
83	Kibuku DLG	92	89	3	0	1,599,796,111	893,947,550	705,848,561	11,946,385	7,737,278	4,209,107
84	Manafwa DLG	156	156	0	0	2,695,308,665	1,687,160,853	1,008,147,812	11,946,385	8,627,577	3,318,808
85	Budaka DLG	76	76	0	0	1,320,670,500	827,661,650	493,008,850	11,946,385	8,400,000	3,546,385
86	Pallisa DLG	80	45	35	0	1,412,724,851	951,539,734	461,185,117	11,946,385	17,000,000	05,053,615
87	Kapchorwa DLG	58	58	0	0	1,008,567,113	520,707,944	487,859,169	11,946,385	8,865,042	3,081,343
88	Kapchorwa MC	27	27	0	0	469,505,000	292,933,042	176,571,958	11,946,385	7,105,850	4,840,535
89	Tororo MC	8	8	0	0	139,112,706	110,307,847	28,804,859	11,946,385	9,250,000	2,696,385
90	Terego DLG	42	42	0	0	730,341,703	398,064,374	332,277,329	11,946,385	7,977,723	3,968,662
91	Zombo DLG	61	61	0	0	1,060,735,000	678,222,789	382,512,211	11,946,385	7,669,000	4,277,385
92	Moyo DLG	47	45	2	0	706,051,014	439,531,469	266,519,545	11,946,385	6,380,000	5,566,385
93	Nebbi DLG	60	60	0	0	1,043,345,290	651,559,810	391,785,480	11,946,385	10,124,343	1,822,042
94	Yumbe DLG	196	90	106	0	3,425,652,368	2,137,360,883	1,288,291,485	11,946,385	17,000,000	05,053,615
95	Pader DLG	97	97	0	0	1,651,963,486	993,298,598	658,664,888	11,946,385	8,050,493	3,895,892
96	Koboko MC	10	10	0	0	173,890,881	168,249,260	5,641,621	11,946,385	11,946,385	0
97	Maracha DLG	91	91	0	0	1,582,407,023	986,511,015	595,896,008	11,946,385	7,106,112	4,840,273
98	Pakwach DLG	48	22	26	0	834,676,232	482,129,505	352,546,727	11,946,385	0	11,946,385
99	Madi0Okollo DLG	46	46	0	0	815,936,730	473,905,000	342,031,730	11,946,385	8,913,000	3,033,385
100	Koboko DLG	49	49	0	0	852,065,320	527,025,427	325,039,893	11,946,385	8,347,641	3,598,744
101	Adjumani DLG	56	56	0	0	973,788,936	973,788,936	0	11,946,385	14,000,000	02,053,615

sn	Entity name	No. of gazetted parishes	No. of SACCOs funded	SACCOs not funded	SACCOs funded in un-gazetted parishes	Approved budget (UGX)	Release (UGX)	Variance (UGX)	Planned funding per SACCO (UGX)	Actual funding per SACCO (UGX)	Funding gap per PDM SACCO (UGX)
102	Arua City	54	33	21	0	918,000,000	564,939,853	353,060,147	11,946,385	17,000,000	05,053,615
103	Bukomansimbi DLG	39	18	21	0	678,174,664	441,366,099	236,808,565	11,946,385	7,833,456	4,112,929
104	Rakai DLG	73	73	0	0	1,269,403,436	849,807,364	419,596,072	11,946,385	8,937,000	3,009,385
105	Kalungu DLG	37	37	0	0	642,899,262	353,131,018	289,768,244	11,946,385	7,692,038	4,254,347
106	Sembabule DLG	65	65	0	0	1,216,761,518	737,217,307	479,544,211	11,946,385	7,365,870	4,580,515
107	Gomba DLG	49	49	0	0	856,385,339	552,674,675	303,710,664	11,946,385	7,105,908	4,840,477
108	Kyotera DLG	66	66	0	0	1,147,679,819	715,961,473	431,718,346	11,946,385	7,105,909	4,840,476
109	Lwengo DLG	45	45	0	0	782,508,968	378,511,421	403,997,547	11,946,385	6,042,800	5,903,585
110	Lyantonde DLG	30	30	0	0	521,672,644	335,000,749	186,671,895	11,946,385	7,126,865	4,819,520
111	Mubende MC	18	18	0	0	313,273,586	195,291,675	117,981,911	11,946,385	7,105,908	4,840,477
112	Bundibugyo DLG	130	127	3	0	2,260,581,461	1,156,908,350	1,103,673,111	11,946,385	7,388,667	4,557,718
113	Kyegegwa DLG	81	33	48	0	1,408,516,141	878,812,536	529,703,605	11,946,385	14,578,630	02,632,245
114	Kamwenge DLG	62	62	0	0	1,078,123,466	681,449,903	396,673,563	11,946,385	7,247,499	4,698,886
115	Kasese DLG	197	196	1	0	3,425,650,569	2,234,298,995	1,191,351,574	11,946,385	9,173,111	2,773,274
116	Kyenjojo DLG	167	88	79	0	2,912,100,722	1,915,727,290	996,373,432	11,946,385	17,000,000	05,053,615
117	Bunyangabu DLG	49	48	1	0	852,065,320	559,378,893	292,686,427	11,946,385	7,975,809	3,970,576
118	Kabarole DLG	52	52	0	0	904,232,592	510,884,500	393,348,092	11,946,385	9,215,895	2,730,490
119	Alebtong DLG	69	36	33	0	1,199,847,083	753,177,270	446,669,813	11,946,385	0	11,946,385
120	Gulu DLG	47	46	1	0	817,287,145	509,928,262	307,358,883	11,946,385	7,051,875	4,894,510
121	Oyam DLG	74	31	43	0	1,286,792,524	802,865,773	483,926,751	11,946,385	17,000,000	05,053,615
122	Fort Portal City	25	21	4	0	434,727,205	271,238,386	163,488,819	11,946,385	12,176,407	0230,022
123	Kole DLG	54	54	0	0	904,232,585	492,856,334	411,376,251	11,946,385	6,842,727	5,103,658
124	Masaka DLG	18	6	12	0	313,003,586	195,291,674	117,711,912	11,946,385	0	11,946,385
125	Mubende DLG	79	79	0	0	1,373,737,963	709,240,137	664,497,826	11,946,385	7,565,422	4,380,963
126	Masaka City	25	11	14	0	434,727,204	271,238,436	163,488,768	11,946,385	0	11,946,385
127	Lamwo DLG	86	41	45	0	1,495,461,583	973,176,329	522,285,254	11,946,385	17,000,000	05,053,615
128	Lira City	49	46	3	0	852,065,320	824,313,762	27,751,558	11,946,385	0	11,946,385
129	Kalaki DLG	34	34	0	0	591,228,997	368,884,274	222,344,723	11,946,385	7,105,909	4,840,476
130	Amuria DLG	98	97	1	0	1,721,519,728	1,080,551,952	640,967,776	11,946,385	6,443,889	5,502,496
131	Amolatar DLG	85	85	0	0	1,473,171,913	932,085,746	541,086,167	11,946,385	6,147,023	5,799,362
132	Soroti City	25	25	0	0	434,727,185	236,951,161	197,776,024	11,946,385	7,105,732	4,840,653
133	Kumi DLG	140	140	0	0	2,434,472,342	1,518,935,245	915,537,097	11,946,385	7,105,909	4,840,476
134	Ngora DLG	73	73	0	0	1,269,102,956	791,716,071	477,386,885	11,946,385	7,100,068	4,846,317
135	Dokolo DLG	71	34	37	0	1,234,625,269	672,938,455	561,686,814	11,946,385	17,000,000	05,053,615

sn	Entity name	No. of gazetted parishes	No. of SACCOs funded	SACCOs not funded	SACCOs funded in un-gazetted parishes	Approved budget (UGX)	Release (UGX)	Variance (UGX)	Planned funding per SACCO (UGX)	Actual funding per SACCO (UGX)	Funding gap per PDM SACCO (UGX)
136	Otuke DLG	54	27	27	0	921,621,673	571,754,473	349,867,200	11,946,385	16,917,979	04,971,594
137	Kapelebyong DLG	55	55	0	0	974,388,937	608,198,589	366,190,348	11,946,385	9,023,349	2,923,036
138	Kumi MC	14	14	0	0	243,446,691	120,417,747	123,028,944	11,946,385	6,067,894	5,878,491
139	Serere DLG	70	70	0	0	1,217,236,171	682,281,990	534,954,181	11,946,385	8,123,331	3,823,054
140	Napak DLG	57	57	0	0	1,095,419,354	858,991,663	236,427,691	11,946,385	13,448,637	01,502,252
141	Moroto MC	4	3	1	0	69,556,352	61,907,248	7,649,104	11,946,385	17,000,000	05,053,615
142	Bukwo DLG	109	98	11	0	1,895,410,609	1,033,082,696	862,327,913	11,946,385	7,105,909	4,840,476
143	Arua DLG	32	32	0	0	556,450,820	347,185,198	209,265,622	11,946,385	7,106,587	4,839,798
144	Gulu City	32	32	0	0	556,450,823	313,381,643	243,069,180	11,946,385	4,917,440	7,028,945
145	Kaberamaido DLG	29	29	0	0	504,283,556	290,995,752	213,287,804	11,946,385	7,672,267	4,274,118
146	Kitgum DLG	72	10	62	0	1,252,014,348	682,239,439	569,774,909	11,946,385	5,256,000	6,690,385
147	Nwoya DLG	44	44	0	0	765,119,880	477,379,649	287,740,231	11,946,385	2,365,097	9,581,288
148	Obongi DLG	28	28	0	0	486,984,469	303,651,310	183,333,159	11,946,385	7,629,837	4,316,548
149	Agago DLG	117	117	0	0	2,034,523,315	1,269,395,885	765,127,430	11,946,385	6,682,994	5,263,391
150	Apac DLG	34	34	0	0	618,965,872	435,259,514	183,706,358	11,946,385	10,287,969	1,658,416
151	Busia DLG	62	62	0	0	1,078,123,466	669,189,290	408,934,176	11,946,385	9,100,000	2,846,385
152	Buvuma DLG	38	38	0	0	660,786,000	412,282,426	248,503,574	11,946,385	7,105,909	4,840,476
153	Kalangala DLG	17	7	10	0	295,614,499	164,145,696	131,468,803	11,946,385	17,257,207	05,310,822
154	Kitagwenda DLG	55	55	0	0	956,399,849	596,724,562	359,675,287	11,946,385	6,226,492	5,719,893
155	Kitgum MC	11	11	0	0	191,279,869	120,055,510	71,224,359	11,946,385	5,074,250	6,872,135
156	Mukono MC	9	9	0	0	156,501,794	89,661,841	66,839,953	11,946,385	4,000,000	7,946,385
157	Entebbe MC	4	4	0	0	69,556,352	43,398,149	26,158,203	11,946,385	7,833,456	4,112,929
158	Amuru DLG	58	57	1	0	1,008,567,113	629,273,174	379,293,939	11,946,385	5,138,441	6,807,944
159	Kwania DLG	49	49	0	0	852,065,320	476,124,221	375,941,099	11,946,385	7,106,101	4,840,283
160	Lira DLG	58	58	0	0	1,008,567,305	741,506,271	267,061,034	11,946,385	11,784,032	162,353
161	Buikwe DLG	52	31	21	0	539,061,733	336,335,896	202,725,837	11,946,385	0	11,946,385
162	Ibanda MC	21	21	0	0	365,170,852	225,303,469	139,867,383	11,946,385	7,534,478	4,411,907
163	Butambala DLG	25	25	0	0	434,727,205	210,284,125	224,443,080	11,946,385	8,274,000	3,672,385
164	Amudat DLG	44	44	0	0	765,119,880	476,971,254	288,148,626	11,946,385	7,094,582	4,851,803
165	Ntoroko DLG	47	47	0	0	817,287,144	535,605,345	281,681,799	11,946,385	7,652,220	4,294,165
166	Kasese MC	18	18	0	0	313,003,586	161,295,519	151,708,067	11,946,385	7,037,782	4,908,603
167	Kassanda DLG	92	32	60	0	1,599,796,111	998,157,448	601,638,663	11,946,385	17,000,000	05,053,615
168	Omoro DLG	65	65	0	0	1,130,290,730	705,219,936	425,070,794	11,946,385	7,313,254	4,633,131
169	Luwero DLG	101	100	1	0	1,756,297,905	1,153,005,475	603,292,430	11,946,385	7,997,000	3,949,385

sn	Entity name	No. of gazetted parishes	No. of SACCOs funded	SACCOs not funded	SACCOs funded in un-gazetted parishes	Approved budget (UGX)	Release (UGX)	Variance (UGX)	Planned funding per SACCO (UGX)	Actual funding per SACCO (UGX)	Funding gap per PDM SACCO (UGX)
	Total	**10,191**	**8,703**	**1,502**	**0**	**175,429,879,581**	**108,857,715,367**	**66,572,164,214**			

Appendix 5 b: Parish Development Model

SN	Entity name	Funds repurposed to the revolving fund	Funds diverted from the revolving fund	Failure to send funds directly to the PDM SACCO Amount	Number of unregistered SACCOs	Amount sent to unregistered SACCOS	Amount unaccounted for
1	Kagadi DLG	0	0	0	0	0	0
2	Kibaale DLG	139,623,956	0	446,506,992	57	446,506,992	0
3	Kyankwanzi DLG	602,411,574	0	1,121,394,573	0	0	0
4	Buliisa DLG	4,585,581	0	225,593,699	0	0	0
5	Kiboga DLG	194,863,213	0	673,117,066	58	673,117,066	0
6	Kiryandongo DLG	11,035,537	0	305,554,087	43	305,554,087	0
7	Kayunga DLG	0	53,213,435	430,432,548	0	0	0
8	Kira MC	25,355,296	0	51,000,000	0	0	0
9	Mukono DLG	110,557,437	0	639,044,406	0	0	0
10	Nakaseke DLG	188,059,087	0	612,155,745	0	0	0
11	Nansana MC	19,648,782	0	217,536,255	0	0	0
12	Wakiso DLG	422,411,449	0	1,083,778,521	98	1,083,778,521	0
13	Buhweju DLG	105,977,134	0	512,154,216	68	512,154,216	0
14	Kabale DLG	75,892,014	0	476,095,903	0	0	0
15	Kanungu DLG	0	0	649,232,325	36	649,232,325	0
16	Kisoro DLG	76,476,259	0	444,561,910	58	444,561,910	0
17	Mbarara City	14,630,844	0	152,014,268	0	0	0
18	Rubirizi DLG	116,507,539	0	485,643,852	0	0	0
19	Rukungiri DLG	178,162,896	0	660,785,344	39	660,785,344	0
20	Rwampara DLG	32,848,782	0	206,528,709	0	0	0
21	Bugiri DLG	148,986,153	0	646,000,000	0	0	0
22	Bugiri MC	6,796,300	0	34,290,630	0	0	0
23	Bugweri DLG	105,582,934	0	320,617,860	0	0	0
24	Iganga DLG	186,569,757	0	354,135,967	0	0	0
25	Iganga MC	14,294,884	0	80,000,000	0	0	0
26	Jinja City	40,494,619	0	195,797,611	0	0	0

SN	Entity name	Funds repurposed to the revolving fund	Funds diverted from the revolving fund	Failure to send funds directly to the PDM SACCO Amount	Number of unregistered SACCOs	Amount sent to unregistered SACCOS	Amount unaccounted for
27	Jinja DLG	38,512,366	0	244,388,400	0	0	0
28	Kamuli MC	0	0	85,054,970	0	0	0
29	Luuka DLG	127,715,688	0	510,000,000	0	0	0
30	Mayuge DLG	270,104,947	0	771,911,058	0	0	0
31	Namayingo DLG	56,635,832	0	359,176,351	0	0	0
32	Nebbi MC	31,902,007	0	85,667,800	0	0	0
33	Butaleja DLG	108,982,819	0	453,962,621	76	562,945,440	0
34	Tororo DLG	258,488,000	0	1,184,332,817	0	0	0
35	Kazo DLG	76,000,000	0	476,000,000	0	0	0
36	Kiruhura DLG	185,754,545	0	520,802,132	0	0	0
37	Mbale DLG	102,005,164	0	756,363,187	67	756,363,187	0
38	Bududa DLG	180,102,000	0	1,129,839,000	159	1,129,839,000	0
39	Mityana DLG	208,132,547	0	594,967,852	0	0	0
40	Nakasongola DLG	77,024,730	0	534,240,626	6	47,138,879	0
41	Mitooma DLG	191,792,187	0	651,728,000	73	651,728,000	0
42	Rubanda DLG	78,157,447	0	490,307,721	0	0	0
43	Rukiga DLG	33,918,498	0	213,177,269	13	213,918,498	0
44	Sheema MC	26,052,482	0	163,435,906	0	0	0
45	Bukedea DLG	172,172,948	0	1,080,098,233	0	0	0
46	Katakwi DLG	195,491,952	0	846,569,922	0	0	0
47	Soroti DLG	67,204,885	0	389,757,273	0	0	0
48	Moroto DLG	57,371,962	0	511,334,582	0	0	0
49	Nakapiripirit DLG	0	0	0	0	0	0
50	Mbale City	68,465,226	0	375,062,679	47	375,062,679	0
51	Sironko DLG	765,170,964	0	1,792,400,736	224	1,792,400,736	0
52	Butebo DLG	0	129,639,841	348,905,563	61	348,905,563	0
53	Namisindwa DLG	281,963,611	0	1,255,594,106	163	1,255,594,106	0
54	Makindye0Ssabagabo MC	8,863,749	0	74,294,282	0	0	0
55	Mityana MC	16,990,750	0	106,588,636	0	0	0
56	Mpigi DLG	6,786,926	0	341,285,699	0	0	0
57	Ibanda DLG	153,625,148	0	396,122,422	0	0	0
58	Mbarara DLG	52,104,966	0	326,989,932	0	0	0
59	Sheema DLG	52,705,304	0	333,977,728	51	333,977,728	0
60	Njeru MC	0	0	144,800,000	0	0	0
61	Namutumba DLG	237,976,652	0	901,000,000	0	0	0

SN	Entity name	Funds repurposed to the revolving fund	Funds diverted from the revolving fund	Failure to send funds directly to the PDM SACCO Amount	Number of unregistered SACCOs	Amount sent to unregistered SACCOS	Amount unaccounted for
62	Lugazi MC	14,630,714	0	134,094,562	0	0	7,057,609
63	Kamuli DLG	282,492,532	0	760,347,922	77	760,347,922	0
64	Kaliro DLG	98,546,346	0	669,415,608	0	0	0
65	Buyende DLG	82,688,314	0	436,043,043	0	0	0
66	Bushenyi DLG	159,529,388	0	500,001,354	56	500,001,354	0
67	Ishaka0 Bushenyi MC	18,134,466	0	135,560,041	16	135,650,041	0
68	Isingiro DLG	507,727,681	0	1,290,215,882	0	0	0
69	Kabale MC	0	0	0	0	0	0
70	Kisoro MC	11,893,525	0	49,906,927	7	49,906,927	0
71	Ntungamo DLG	177,397,292	0	1,401,258,493	0	0	0
72	Ntungamo MC	0	0	N/A	0	0	0
73	Rukungiri MC	13,592,600	0	114,652,374	12	114,652,374	0
74	Hoima City	0	0	95,571,078	0	0	0
75	Masindi DLG	52,104,965	0	326,871,814	0	0	0
76	Masindi MC	18,511,222	0	84,216,532	0	0	0
77	Kikuube DLG	32,848,782	0	206,071,361	0	0	0
78	Hoima DLG	33,428,795	0	368,101,668	0	0	0
79	Kakumiro DLG	214,674,248	0	841,859,446	0	0	0
80	Kween DLG	312,165,004	0	915,457,434	101	915,457,434	0
81	Bulambuli DLG	449,305,824	0	1,178,035,294	121	1,168,379,267	0
82	Busia MC	9,061,734	0	56,800,000	8	56,800,000	0
83	Kibuku DLG	139,084,068	0	688,617,766	0	0	0
84	Manafwa DLG	414,574,586	0	1,345,901,947	156	1,345,901,947	0
85	Budaka DLG	0	0	696,395,770	73	696,395,770	0
86	Pallisa DLG	0	0	765,000,000	45	765,000,000	0
87	Kapchorwa DLG	167,727,288	0	514,172,444	58	514,172,444	0
88	Kapchorwa MC	30,583,000	0	191,860,042	27	191,860,042	0
89	Tororo MC	0	0	74,000,000	0	0	0
90	Terego DLG	85,190,295	0	336,064,374	42	336,064,374	0
91	Zombo DLG	467,809,017	0	467,809,000	0	0	0
92	Moyo DLG	0	0	287,100,000	0	0	0
93	Nebbi DLG	185,436,733	0	607,460,580	0	0	0
94	Yumbe DLG	313,042,456	0	1,526,761,354	0	0	0
95	Pader DLG	53,804,040	0	780,897,821	0	0	0
96	Koboko MC	0	0	119,463,847	0	0	0

SN	Entity name	Funds repurposed to the revolving fund	Funds diverted from the revolving fund	Failure to send funds directly to the PDM SACCO Amount	Number of unregistered SACCOs	Amount sent to unregistered SACCOS	Amount unaccounted for
97	Maracha DLG	103,095,772	0	646,656,278	0	0	0
98	Pakwach DLG	81,555,598	0	368,268,830	0	0	0
99	Madi0Okollo DLG	0	0	409,998,000	0	0	0
100	Koboko DLG	146,087,826	0	438,774,252	0	0	0
101	Adjumani DLG	115,002,455	0	784,000,000	0	0	0
102	Arua City	0	0	564,939,853	15	255,000,000	0
103	Bukomansimbi DLG	0	0	305,995,370	0	0	0
104	Rakai DLG	124,032,471	0	652,429,223	0	0	0
105	Kalungu DLG	64,289,926	0	284,605,389	0	0	0
106	Sembabule DLG	128,462,780	0	478,781,550	0	0	0
107	Gomba DLG	35,529,540	0	348,215,767	0	0	0
108	Kyotera DLG	74,759,298	0	468,989,994	0	0	0
109	Lwengo DLG	3,132,343	0	271,926,000	0	0	0
110	Lyantonde DLG	34,564,119	0	213,759,890	0	0	0
111	Mubende MC	20,388,900	0	127,906,363	0	0	0
112	Bundibugyo DLG	298,410,307	0	960,057,188	127	960,115,919	0
113	Kyegegwa DLG	91,750,048	0	575,578,630	0	0	0
114	Kamwenge DLG	79,007,003	0	449,344,938	62	449,344,938	0
115	Kasese DLG	571,631,558	0	1,733,717,779	196	1,733,717,979	0
116	Kyenjojo DLG	275,641,516	0	1,484,926,831	88	1,484,926,831	0
117	Bunyangabu DLG	90,152,406	0	382,838,832	48	382,838,832	0
118	Kabarole DLG	168,620,537	0	479,226,540	52	479,226,540	0
119	Alebtong DLG	193,804,280	0	605,954,554	0	0	0
120	Gulu DLG	6,211,063	0	286,951,103	0	0	0
121	Oyam DLG	83,821,030	0	525,837,266	0	0	0
122	Fort Portal City	108,026,667	0	255,704,547	21	255,704,547	0
123	Kole DLG	58,901,264	0	369,507,268	0	0	0
124	Masaka DLG	20,388,899	0	99,600,000	0	0	0
125	Mubende DLG	89,484,617	0	561,366,823	0	0	0
126	Masaka City	28,317,916	0	177,647,725	0	0	0
127	Lamwo DLG	183,305,456	0	697,000,000	41	697,000,000	0
128	Lira City	196,098,471	0	781,471,322	0	0	0
129	Kalaki DLG	51,739,782	0	254,828,322	0	0	0
130	Amuria DLG	43,657,420	0	635,003,465	0	0	0
131	Amolatar DLG	137,475,698	0	659,972,691	0	0	0

SN	Entity name	Funds repurposed to the revolving fund	Funds diverted from the revolving fund	Failure to send funds directly to the PDM SACCO Amount	Number of unregistered SACCOs	Amount sent to unregistered SACCOS	Amount unaccounted for
132	Soroti City	28,317,916	0	177,647,728	0	0	0
133	Kumi DLG	158,580,328	0	994,827,260	0	0	0
134	Ngora DLG	241,999,964	0	518,304,964	0	0	0
135	Dokolo DLG	153,903,341	0	578,000,000	0	0	0
136	Otuke DLG	140,206,260	0	456,785,456	0	0	0
137	Kapelebyong DLG	161,760,977	0	496,284,240	0	0	0
138	Kumi MC	18,880,705	0	84,950,521	0	0	0
139	Serere DLG	67,859,764	0	568,633,170	0	0	0
140	Napak DLG	0	0	766,572,309	57	766,572,309	0
141	Moroto MC	6,000,000	0	46,136,435	0	0	0
142	Bukwo DLG	168,747,224	0	651,077,968	0	0	0
143	Arua DLG	36,246,932	0	227,389,088	0	0	0
144	Gulu City	0	93,782,026	157,358,080	0	0	11,233,000
145	Kaberamaido DLG	49,273,173	0	222,495,752	0	0	0
146	Kitgum DLG	81,555,596	0	52,560,000	0	0	241,516,100
147	Nwoya DLG	49,839,532	0	104,064,268	0	0	276,158,113
148	Obongi DLG	16,723,001	0	213,635,452	0	0	0
149	Agago DLG	90,038,926	0	788,902,434	117	788,902,434	0
150	Apac DLG	0	0	349,790,966	0	0	0
151	Busia DLG	165,624,265	0	564,200,000	62	564,200,000	0
152	Buvuma DLG	43,043,234	0	270,024,544	0	0	0
153	Kalangala DLG	19,256,182	0	120,800,452	0	0	0
154	Kitagwenda DLG	13,931,479	0	342,457,060	55	342,457,060	0
155	Kitgum MC	33,690,512	0	59,883,750	11	59,883,750	0
156	Mukono MC	0	0	44,919,841	0	0	0
157	Entebbe MC	4,530,867	0	28,423,636	0	0	0
158	Amuru DLG	0	48,415,580	298,029,578	0	0	58,827,429
159	Kwania DLG	111,010,105	0	348,198,967	0	0	0
160	Lira DLG	232,449,790	0	683,489,847	0	0	0
161	Buikwe DLG	20,279,133	0	220,290,991	0	0	0
162	Ibanda MC	32,787,050	0	158,224,038	0	0	0
163	Butambala DLG	60,953,556	0	210,284,125	0	0	0
164	Amudat DLG	0	33,018,689	312,161,601	0	0	0
165	Ntoroko DLG	76,300,139	0	359,654,807	48	382,838,832	0
166	Kasese MC	53,158,768	0	128,680,076	18	126,680,076	0

SN	Entity name	Funds repurposed to the revolving fund	Funds diverted from the revolving fund	Failure to send funds directly to the PDM SACCO Amount	Number of unregistered SACCOs	Amount sent to unregistered SACCOS	Amount unaccounted for
167	Kassanda DLG	104,209,930	0	544,000,000	0	0	0
168	Omoro DLG	87,104,006	0	475,361,510	0	0	0
169	Luwero DLG	300,181,433	0	807,697,000	0	0	0
	Total	17,891,724,298	358,069,571	79,214,076,265	3,214	29,523,564,220	594,792,251

Appendix 6 a: Funding for DRDIP subprojects

SN	Entity Name	Approved budget (UGX)	Warrants/ Release (UGX)	Under funding (UGX)	Transfers/ Expenditure (UGX)	Failure to fund subprojects	
						Unutilised warrants	Number of subprojects not funded
1	Adjumani DLG	26,629,455,734	20,112,227,243	6,517,228,491	20,112,227,243	0	0
2	Arua DLG	12,211,720,404	7,703,246,463	4,508,473,941	7,596,050,122	107,196,341	0
3	Hoima DLG	11,402,789,340	7,886,733,487	3,516,055,853	7,886,733,487	0	0
4	Isingiro DLG	36,952,472,146	20,645,657,738	16,306,814,408	20,645,657,738	0	0
5	Kamwenge DLG	16,096,871,843	15,526,567,396	570,304,447	13,642,495,005	1,884,072,391	1
6	Kikuube DLG	14,763,545,466	14,763,545,466	0	14,763,545,466	0	0
7	Kiryandongo DLG	13,147,932,451	11,153,517,611	1,994,414,840	11,153,517,611	0	0
8	Koboko DLG	12,972,115,413	10,398,654,382	2,573,461,031	10,397,654,382	1,000,000	0
9	Kyegegwa DLG	13,158,909,516	12,952,563,516	206,346,000	1,519,174,433	11,433,389,083	45
10	Lamwo DLG	24,133,897,361	20,214,341,243	3,919,556,118	20,214,341,243	0	0
11	Madi0Okollo DLG	18,612,180,000	8,727,243,898	9,884,936,102	8,727,243,898	0	0
12	Moyo DLG	12,353,082,000	4,377,696,778	7,975,385,222	4,377,684,416	12,362	0
13	Obongi DLG	30,708,745,913	17,640,110,305	13,068,635,608	17,639,083,305	1,027,000	0
14	Terego DLG	19,147,604,808	19,147,604,808	0	19,147,298,822	305,986	0
15	Yumbe DLG	22,849,046,751	20,733,598,950	2,115,447,801	20,733,598,950	0	0
	Total	**285,140,369,146**	**211,983,309,284**	**73,157,059,862**	**198,556,306,121**	**13,427,003,163**	**46**

Appendix 6 b: DRDIP – Implementation of Infrastructure subprojects funded in FY2021/22

		Infrastructure subprojects funded in FY2021/22							
SN	Entity Name	Total funds disbursed	Number of projects funded	Fully Implemented		Partially implemented		Not implemented	
				Number	Subproject Value	Number	Subproject Value	Number	Subproject value
1	Adjumani DLG	17,327,580,369	33	0	0	0	0	33	17,327,580,369
2	Arua DLG	7,420,864,349	13	0	0	3	410,864,349	10	7,010,000,000
3	Hoima DLG	5,108,839,519	11	0	0	0	0	11	5,108,839,519
4	Isingiro DLG	14,696,882,245	13	0	0	0	0	13	14,696,882,245
5	Kamwenge DLG	8,281,650,800	9	4	5,347,500,000	0	0	5	2,934,150,800
6	Kikuube DLG	10,772,200,000	13	0	0	0	0	13	10,772,200,000
7	Kiryandongo DLG	8,334,384,709	11	0	0	0	0	11	8,334,384,709
8	Koboko DLG	5,881,538,969	10	2	707,000,000	1	989,800,000	7	4,184,738,969
9	Kyegegwa DLG	1,005,487,006	3	0	0	0	0	3	1,005,487,006
10	Lamwo DLG	12,880,500,000	12	0	0	0	0	12	12,880,500,000
11	Madi0Okollo DLG	7,516,671,712	9	0	0	0	0	9	7,516,671,712
12	Moyo DLG	2,292,750,000	2	0	0	0	0	2	2,292,750,000
13	Obongi DLG	11,191,012,386	14	0	0	0	0	14	11,191,012,386
14	Terego DLG	13,421,816,827	14	0	0	0	0	14	13,421,816,827
15	Yumbe DLG	16,734,700,000	25	0	0	0	0	25	16,734,700,000
	Total	**142,866,878,891**	**192**	**6**	**6,054,500,000**	**4**	**1,400,664,349**	**182**	**135,411,714,542**

Appendix 6 c: DRDIP – Implementation of Livelihoods Program FY2021/22

		Livelihoods Program FY2021/22							
SN	Entity Name	Total funds disbursed	Number of projects funded	Fully Implemented		Partially implemented		Not implemented	
				Number	Subproject Value	Number	Subproject Value	Number	Subproject Value
1	Adjumani DLG	1,665,000,000	30	0	0	0	0	30	1,665,000,000
2	Arua DLG	0	0	0	0	0	0	0	0
3	Hoima DLG	999,000,000	54	0	0	0	0	54	999,000,000
4	Isingiro DLG	3,567,700,000	11	11	3,567,700,000	0	0	0	0
5	Kamwenge DLG	3,424,850,000	170	165	3,147,350,000	5	277,500,000	0	0
6	Kikuube DLG	1,409,200,000	35	0	0	0	0	35	1,409,200,000
7	Kiryandongo DLG	1,965,649,500	49	0		24	786,149,500	25	1,179,500,000
8	Koboko DLG	2,014,500,000	43	0	0	0	0	43	2,014,500,000
9	Kyegegwa DLG	0	0	0	0	0	0	0	0

10	Lamwo DLG	4,803,163,682	106	0	0	0	0	106	4,803,163,682
11	Madi0Okollo DLG	610,500,000	11	0	0	0	0	11	610,500,000
12	Moyo DLG	1,604,500,000	29	0	0	29	1,604,500,000	0	0
13	Obongi DLG	1,998,000,000	36	36	1,998,000,000	0	0	0	0
14	Terego DLG	2,301,831,152	38	0	0	35	2,135,331,152	3	166,500,000
15	Yumbe DLG	3,420,300,000	56	0	0	56	3,420,300,000	0	0
	Total	**29,784,194,334**	**668**	**212**	**8,713,050,000**	**149**	**8,223,780,652**	**307**	**12,847,363,682**

Appendix 6 d: DRDIP – Implementation of Sustainable Environmental Management FY2021/22

		Sustainable Environmental Management FY2021/22							
SN	**Entity Name**	**Total funds disbursed**	**Number of projects funded**	**Fully Implemented**		**Partially implemented**		**Not implemented**	
				Number	**Subproject Value**	**Number**	**Subproject Value**	**Number**	**Subproject Value**
1	Adjumani DLG	509,043,120	10	0	0	0	0	10	509,043,120
2	Arua DLG	0	0	0	0	0	0	0	0
3	Hoima DLG	1,412,387,418	26	0	0	0	0	26	1,412,387,418
4	Isingiro DLG	1,859,059,593	26	0	0	0	0	26	1,859,059,593
5	Kamwenge DLG	1,406,893,658						0	1,406,893,658
6	Kikuube DLG	1,935,293,956	26	0	0	0	0	26	1,935,293,956
7	Kiryandongo DLG	283,464,452	5	0	0	0	0	5	283,464,452
8	Koboko DLG	1,985,681,487	33	0	0	0	0	33	1,985,681,487
9	Kyegegwa DLG	1,322,186,276	5	0	0	0	0	5	1,322,186,276
10	Lamwo DLG	1,960,570,627	87	0	0		0	87	1,960,570,627
11	Madi0Okollo DLG	125,046,186	1	0	0	0	0	1	125,046,186
12	Moyo DLG	58,628,518	1	0	0	0	0	1	58,628,518
13	Obongi DLG	4,180,957,919	56	0	0	0	0	56	4,180,957,919
14	Terego DLG	2,664,680,803	33	0	0	0	0	33	2,664,680,803
15	Yumbe DLG	0	0	0	0	0	0	0	0
	Total	**19,703,894,013**	**309**	**0**	**0**	**0**	**0**	**309**	**19,703,894,013**

Appendix 6 e: DRDIP – Procurement and other issues

SN	Entity Name	No of subprojects without ESN plans	Amount transferred to SACCOs without ESN plans	Procurements not cleared by the CPMCs		Failure to appoint contract managers from sector specialists or user groups		Idle Subprojects/not put to use		Closed subprojects with bank balances	
				Number of files for procurements not un cleared	Value of procurements not un cleared	Num ber	Amount	Number	Subproject Value	Number of completed subprojects	Bank balance
1	Arua DLG	0	0	13	491,001,312			1	510,000,000	17	613,102,573
2	Hoima DLG	26	1,407,387,418			26	1,412,387,418	1	688,297,523	0	0
3	Kamwenge DLG	16	835,731,105					0	0	0	0
4	Kiryandongo DLG	11	7,327,345,726			5	283,464,450	14	1,070,510,393	0	0
5	Kyegegwa DLG	0	0	0	0	0	0	1	346,005,089	0	0
6	Lamwo DLG	1	1,010,000,000					0	0	0	0
7	Madi0Okollo DLG	0	0					1	511,378,045	0	0
8	Moyo DLG	3	1,705,000,000	0	0	0	0	3	1,540,000,000	24	656,944,873
9	Obongi DLG	0	0	49	1,392,416,899	36	20,164,999,998	3	2,577,000,000	0	0
10	Terego DLG	0	0	37	2,763,016,118	0	0	0	0	0	0
11	Yumbe DLG	0	0					8	4,203,990,984	25	1,481,757,510
	Total	**57**	**12,285,464,249**	**99**	**4,646,434,329**	**67**	**21,860,851,866**	**32**	**11,447,182,034**	**66**	**2,751,804,956**

Appendix 6 f: DRDIP - Inspections of service delivery activities funded in 2019/20 and 2020/21

		Inspections of service delivery activities funded in 2019/20 and 2020/21									
SN	Entity Name	Infrastructure subprojects				Livelihood Subgroups				Sustainable Environmental Management	
		Fully implemented		Stalled Infrastructure subprojects		Fully implemented		Partially implemented		Stalled SENRM subprojects	
		Number	Subproject Value	Number	Subproject Value	Number	Subproject Value	Number	Subproject Value	Number	Subproject Value
1	Adjumani DLG	4	4,203,784,747	0	0	0	0	3	70,100,000	10	542,077,962
2	Arua DLG	4	1,847,159,741	0	0	0	0	0	0	2	112,541,568
3	Hoima DLG	3				0	0	0	0		
4	Isingiro DLG	6		1	1,921,428,820				3,567,700,000		
5	Kamwenge DLG	3				3		0		10	646,977,898

6	Kikuube DLG	0	0	0	0	0	0	0	0	0	0
7	Kiryandongo DLG	3									
8	Koboko DLG	3	1,578,500,000	0	0	1	18,500,000			6	277,286,100
9	Kyegegwa DLG	12	8,614,602,139	1	1,800,000,000	0	0	0	0	0	0
10	Lamwo DLG										
11	Madi0Okollo DLG	2		0	0	4	0	0	0	0	0
12	Moyo DLG	1	580,000,000	0	0	1	55,500,000	3	55,500,000	1	54,285,664
13	Obongi DLG	2	1,300,000,000	1	419,597,795	3	59,500,000			88	4,836,949,177
14	Terego DLG					2		0		32	2,174,274,965
15	Yumbe DLG	23	12,862,999,998	0	0	0		19	1,572,500,000	30	1,304,714,817
	Total	**66**	**30,987,046,625**	**3**	**4,141,026,615**	**14**	**133,500,000**	**25**	**5,265,800,000**	**179**	**9,949,108,151**

Appendix 7 a: Budget allocation of the micro scale irrigation program

sn	Entity	Capital Development (micro scale irrigation equipment) (75%)				Complementary services (25%)			
		Revised budget	% Allocation of the total budget	Ideal allocation	Variance (%)	Revised budget	% Allocation of the total budget	Ideal allocation	Variance (%)
1	Mpigi DLG	734,989,017	71%	780,482,882	4%	305,654,825	29%	260,160,961	04%
2	Kibaale DLG	577,722,783	71%	613,342,078	4%	240,066,654	29%	204,447,359	04%
3	Rakai DLG	878,113,973	71%	932,467,475	4%	365,175,993	29%	310,822,492	04%
4	Kitagwenda DLG	514,158,151	70%	548,259,404	5%	216,854,388	30%	182,753,135	05%
5	Kapchorwa DLG	200,000,000	71%	212,649,000	4%	83,532,000	29%	70,883,000	04%
6	Manafwa DLG	472,853,078	71%	502,121,624	4%	196,642,420	29%	167,373,875	04%
7	Omoro DLG	546,269,790	71%	580,080,380	4%	227,170,716	29%	193,360,127	04%
8	Amuru DLG	916,444,429	74%	933,446,948	1%	328,151,502	26%	311,148,983	01%
	Total	**4,840,551,221**	**71%**	**5,102,849,789**	**4%**	**1,963,248,498**	**29%**	**1,700,949,930**	**04%**

Appendix 7 b: Slow implementation of the micro scale irrigation program

sn	Entity name	% performance of the budget	Budget	Warrants/ Release	Total expenditure	Unspent	% total absorption	% absorption of irrigation equipment funds	Farmers who expressed interest and passed the selection criteria	Number of farmers who co0funded	Number of farmers who received equipment	Co0funded but didn't receive equipment	Received equipment but did not co0fund
1	Amuru DLG	100%	1,244,595,931	1,244,595,931	963,852,269	280,743,662	77%	66%	145	57	57	0	0
2	Bududa DLG	100%	1,261,452,695	1,261,452,695	244,992,927	1,016,459,768	19%	0%	108	2	0	2	0
3	Buikwe DLG	100%	600,773,619	600,773,617	600,773,617	0	100%	100%	123	15	0	15	0
4	Bukomansimbi DLG	100%	576,697,948	576,697,948	320,084,565	256,613,383	56%	41%	65	8	8	0	0
5	Bushenyi DLG	100%	714,525,040	714,525,040	78,378,605	636,146,435	11%	2%	55	7	1	6	0
6	Butambala DLG	100%	387,484,208	387,484,208	221,610,994	165,873,214	57%	47%	180	8	8	0	0
7	Ibanda DLG	92%	627,600,529	574,758,360	562,258,360	12,500,000	98%	97%	115	21	21	0	0
8	Iganga DLG	100%	1,329,616,690	1,329,616,690	293,479,474	1,036,137,216	22%	13%	133	15	7	8	0
9	Jinja DLG	100%	903,060,636	903,060,636	265,244,129	637,816,507	29%	6%	507	7	0	7	0
10	Kalungu DLG	100%	664,507,456	664,507,456	245,494,700	419,012,756	37%	16%	68	14	6	8	0
11	Kamuli DLG	82%	2,516,077,965	2,070,086,405	277,743,610	1,792,342,795	13%	0%	447	10	0	10	0
12	Kamwenge DLG	100%	1,233,481,824	1,233,481,824	422,241,549	811,240,275	34%	14%	380	26	19	7	0
13	Kapchorwa DLG	100%	283,532,000	283,532,004	41,395,400	242,136,604	15%	0	51	0	0	0	0
14	Kayunga DLG	100%	1,586,903,581	1,587,307,162	789,024,134	798,283,028	50%	33%	194	19	19	0	0
15	Kibaale DLG	97%	817,789,437	793,504,089	343,540,164	449,963,925	43%	100%	275	7	6	1	0
16	Kitagwenda DLG	96%	731,012,539	701,940,707	240,883,874	461,056,833	34%	7%	43	6	0	6	0
17	Kyegegwa DLG	100%	1,668,838,687	1,668,838,687	921,616,030	747,222,657	55%	42%	120	32	32	0	0
18	Kyenjojo DLG	95%	1,968,068,801	1,873,486,962	816,122,258	1,057,364,704	44%	27%	257	16	16	0	0
19	Kyotera DLG	100%	1,000,840,870	1,000,840,870	206,116,680	794,724,190	21%	0%	624	16	5	11	0
20	Luuka DLG	100%	1,098,808,508	1,098,808,508	185,288,340	913,520,168	17%	0%	103	0	0	0	0
21	Luwero DLG	97%	1,884,516,915	1,827,314,725	496,853,038	1,330,461,687	27%	3%	222	6	2	4	0
22	Lwengo DLG	97%	1,008,665,475	983,179,605	349,181,500	633,998,105	36%	10%	40	7	5	2	0
23	Manafwa DLG	100%	669,495,498	669,495,598	178,080,000	491,415,598	27%	0%	119	1	0	1	0
24	Masaka DLG	100%	460,800,276	460,800,276	191,012,556	269,787,720	41%	22%	123	6	5	1	0
25	Mayuge DLG	100%	2,406,225,383	2,406,225,383	691,749,954	1,714,475,429	29%	6%	657	6	0	6	0
26	Mbale DLG	100%	978,155,227	978,155,227	978,155,227	0	100%	100%	250	9	29	0	20

27	Mityana DLG	100%	982,194,028	982,194,028	959,359,474	22,834,554	98%	98%	197	52	52	0	0
28	Mpigi DLG	97%	1,040,643,842	1,008,928,121	682,186,048	326,742,073	68%	53%	82	12	19	0	7
29	Mubende DLG	101%	1,785,183,070	1,805,183,070	360,241,350	1,444,941,720	20%	0%	113	30	13	17	0
30	Mukono DLG	97%	1,860,330,289	1,810,490,757	1,192,689,171	617,801,586	66%	56%	603	84	56	28	0
31	Nakaseke DLG	100%	1,104,507,315	1,104,507,315	687,041,722	417,465,593	62%	50%	877	20	20	0	0
32	Ntungamo DLG	94%	1,848,548,683	1,740,797,344	229,477,125	1,511,320,219	13%	0%	0	0	0	0	0
33	Nwoya DLG	100%	1,506,270,774	1,506,270,774	1,282,287,149	223,983,625	85%	80%	120	6	4	2	0
34	Omoro DLG	100%	773,440,506	773,440,506	753,058,716	20,381,790	97%	98%	55	13	13	0	0
35	Rakai DLG	98%	1,243,289,966	1,212,437,391	450,270,049	762,167,342	37%	10%	170	16	3	13	0
36	Rukungiri DLG	97%	1,222,690,787	1,182,235,981	1,182,235,981	0	100%	100%	554	42	42	0	0
37	Sembabule DLG	99%	1,321,944,507	1,312,934,328	381,925,415	931,008,913	29%	4%	143	18	3	15	0
38	Sironko DLG	100%	960,526,097	960,526,097	244,992,927	715,533,170	26%	0%	224	0	0	0	0
39	Tororo DLG	97%	2,146,943,614	2,082,453,632	421,412,670	1,661,040,962	20%	0%	17	17	0	17	0
40	Wakiso DLG	100%	3,661,748,235	3,661,748,235	970,978,292	2,690,769,943	27%	2%	222	11	8	3	0
		98%	**50,081,789,451**	**49,038,618,192**	**20,723,330,043**	**28,315,288,149**	**42%**		**8,781**	**642**	**479**	**190**	**27**

Appendix 7 c: Slow implementation of the micro scale irrigation program

sn	Entity name	Total value of the equipment co-funded	Required co-funding	Total Amount co-funded	Partial co-funding	Co-funded but didn't receive amount	Number inspected	Number installed and functional	Number installed and not functional	Number not installed	Co-funding amount for inspected projects	Planned Number of irrigation equipment	Number Sensitized
1	Amuru DLG	605,071,628	151,267,907	151,267,907	0	0	0	0	0	0	0	140	NS
2	Bududa DLG	0	0	4,349,650	0	4,349,650	0	0	0	0	NP	108	NS
3	Buikwe DLG	224,115,393	56,028,848	58,804,360	0	58,804,360	1	0	1	0	5,414,418	123	1508
4	Bukomansimbi DLG	175,340,064	43,835,016	43,835,016	0	0	3	3	0	0	NP	23	1436
5	Bushenyi DLG	13,911,600	3,477,900	3,477,175	0	2,980,436	1	1	0	0	3,477,900	55	4291
6	Butambala DLG	124,801,000	31,200,250	30,989,750	210,500	0	5	5	0	0	21,389,250	30	920
7	Ibanda DLG	451,851,264	112,962,816	120,000,000	0	0	3	3	0	0	16,535,172	34	356
8	Iganga DLG	131,101,400	32,775,350	32,775,350	0	17,480,187	4	0	0	4	20,972,725	133	NS
9	Jinja DLG	72,400,500	18,100,125	20,000,875	0	20,000,875	0	0	0	0	0	60	1708
10	Kalungu DLG	79,449,700	19,862,425	19,862,425	0	11,349,957	2	2	0	0	NP	68	212

11	Kamuli DLG	159,154,380	39,788,595	39,788,595	0	39,788,595	0	0	0	0	NP	88	NS
12	Kamwenge DLG	257,199,816	64,299,954	78,447,943	0	21,120,600	5	5	0	0	18,639,250	45	800
13	Kapchorwa DLG	0	0	0	0	0	0	0	0	0	0	51	500
14	Kayunga DLG	235,175,004	58,793,751	35,988,804	22,804,947	0	19	5	0	14	26,503,400	194	1450
15	Kibaale DLG	103,473,510	25,868,378	25,868,375	0	3,695,482	4	2	0	2	4,418,350	60	NS
16	Kitagwenda DLG	0	0	30,555,000	0	30,555,000	0	0	0	0	NP	43	NS
17	Kyegegwa DLG	621,067,534	155,266,884	164,315,300	0	0	5	5	0	0	20,906,578	85	200
18	Kyenjojo DLG	398,210,612	99,552,653	99,552,653	0	0	2	2	0	0	11,303,350	78	2034
19	Kyotera DLG	71,550,500	17,887,625	17,887,625	0	12,297,742	2	2	0	0	8,821,750	60	2054
20	Luuka DLG	0	0	0	0	0	0	0	0	0	0	60	NS
21	Luwero DLG	37,458,628	9,364,657	7,936,150	1,428,507	0	2	2	0	0	17,673,400	100	NS
22	Lwengo DLG	74,389,000	18,597,250	18,597,250	0	5,313,500	2	2	0	0	11,175,000	40	1478
23	Manafwa DLG	472,853,178	118,213,295	0	0	0	0	0	0	0	NP	67	NS
24	Masaka DLG	75,808,490	18,952,123	24,661,850	0	4,110,308	2	2	0	0	9,312,194	50	450
25	Mayuge DLG	93,296,396	23,324,099	23,324,401	0	23,324,401	0	0	0	0	0	259	1795
26	Mbale DLG	731,116,421	182,779,105	123,475,656	59,303,449	(274,390,347)	2	0	2	0	NP	29	NS
27	Mityana DLG	736,645,518	184,161,380	189,710,836	0	0	3	2	1	0	NP	52	NS
28	Mpigi DLG	242,976,116	60,744,029	29,967,904	30,776,125	(17,481,277)	12	8	0	4	21,552,821	56	NS
29	Mubende DLG	549,606,541	137,401,635	132,383,729	5,017,906	75,017,446	5	5	0	0	NP	113	783
30	Mukono DLG	842,077,809	210,519,452	122,920,051	87,599,401	40,973,350	4	4	0	0	25,040,290	171	NS
31	Nakaseke DLG	412,390,242	103,097,561	110,919,223	0	0	4	4	0	0	21,340,750	60	3498
32	Nwoya DLG	37,636,769	9,409,192	18,662,500	0	0	0	0	0	0	0	120	NS
33	Omoro DLG	133,915,000	33,478,750	36,983,750	0	0	6	6	0	0	0	55	480
34	Rakai DLG	85,094,056	21,273,514	21,273,514	0	17,284,730	3		0	3		127	549
35	Rukungiri DLG	874,541,222	218,635,306	254,095,279	0	0	45	42	0	3	NP	60	44
36	Sembabule DLG	38,966,500	9,741,625	9,741,625	0	8,118,021	2	2	0	0	6,299,125	145	652
37	Sironko DLG	0	0	0	0	0	0	0	0	0	NP	224	NS
38	Tororo DLG	200,411,950	50,102,988	45,964,915	4,138,073	45,964,915	0	0	0	0	NP	215	NS
39	Wakiso DLG	30,695,563	7,673,891	64,219,332	0	17,514,363	5	3	0	2	17,929,213	200	4289
		9,393,753,304	**2,348,438,327**	**2,212,604,768**	**211,278,908**	**168,172,295**	**153**	**117**	**4**	**32**	**288,704,936**	**3,681**	**31,487**

NP – Co-funding not provided, NS – Farmers not sensitised

Appendix 8 a: Support to organised groups for improvement of people's livelihood - Funding

SN	Entity Name	Budget performance					Delayed disbursement of funds		Unaccounted funds disbursed to groups
		Approved budget	Warrant/ Release	%age performance	Transfer to groups	% Absorption	Number of groups that delayed to receive funds	Average delay (Months)	
1	Bukedea DLG	250,000,000	64,200,000	26%	60,000,000	93%	9	2.5	0
2	Buliisa DLG	36,750,000	30,700,000	84%	30,000,000	98%	11	5.5	8,000,000
3	Butambala DLG	225,750,000	95,900,000	42%	90,500,000	94%	3	9	0
4	Hoima City	42,000,000	39,590,000	94%	27,590,000	70%	8	2.3	0
5	Hoima DLG	56,710,000	56,710,000	100%	53,000,000	93%	20	2	53,000,000
6	Kabarole DLG	288,180,385	21,000,000	7%	20,000,000	95%	1	5	0
7	Kakumiro DLG	70,620,000	70,620,000	100%	65,980,000	93%	24	3.9	0
8	Kaladi DLG	120,000,000	120,000,000	100%	61,000,000	51%	13	3	0
9	Kapelebyong DLG	128,400,000	128,400,000	100%	128,400,000	100%	16	1.5	0
10	Kasese DLG	350,000,000	21,000,000	6%	20,000,000	95%	4	5	0
11	Kayunga DLG	400,000,000	111,720,000	28%	95,000,000	85%	7	5.7	95,000,000
12	Kibaale DLG	100,500,000	22,470,000	22%	21,000,000	93%	9	7	21,000,000
13	Kikuube DLG	36,750,000	23,540,000	64%	22,000,000	93%	8	2	0
14	Kyenjojo DLG	526,228,220	10,500,000	2%	10,500,000	100%	1	3	10,500,000
15	Luwero DLG	175,000,000	175,000,000	100%	175,000,000	100%	11	3	0
16	Masindi DLG	191,904,000	23,540,000	12%	22,000,000	93%	7	3.5	13,000,000
17	Masindi MC	344,123,000	300,707,293	87%	277,000,000	92%	8	2	0
18	Mityana DLG	0	52,500,000		0	0%	0	1.5	0
19	Mukono DLG	72,450,000	47,200,000	65%	45,000,000	95%	4	1	0
20	Nakaseke DLG	270,000,000	124,575,000	46%	122,742,000	99%	2	2.5	48,010,000
21	Nakasongola DLG	63,000,000	71,000,000	113%	71,000,000	100%	0	0	0
22	Ngora DLG	270,000,000	0	0%	0	0%	0	0	0
23	Soroti DLG	124,200,000	118,200,000	95%	118,200,000	100%	0	0	0
24	Wakiso DLG	1,287,000,000	742,190,000	58%	733,800,000	99%	2	5	0
	Total	**5,429,565,605**	**2,471,262,293**	**46%**	**2,269,712,000**	**92%**	**168**		**248,510,000**

Appendix 8 b: Support to organised groups for improvement of people's livelihood – Inspection of micro projects

SN	Entity Name	Funding of groups above the maximum threshold		Physical Inspection of supported micro projects				
		Number of groups funded above threshold	Amount of excess disbursement	Number of groups inspected	Amount of funds disbursed to projects inspected	Number of projects that were in existence	Number of groups that implemented the approved project	Number of groups that implemented un-approved projects
1	Bukedea DLG	0	0	5	24,300,000	5	3	2
2	Buliisa DLG	0	0	4	8,000,000	4	1	3
3	Butambala DLG	2	1,000,000	4	40,000,000	4	4	0
4	Hoima City	0	0	2	6,000,000	2	1	1
5	Hoima DLG	0	0	4	26,000,000	4	3	1
6	Kabarole DLG	0	0	2	20,000,000	2	1	1
7	Kakumiro DLG	0	0	8	22,000,000	8	6	2
8	Kaladi DLG	0	0	3	14,000,000	3	3	0
9	Kapelebyong DLG	0	0	3	18,500,000	3	3	0
10	Kasese DLG	0	0	2	10,000,000	2	2	0
11	Kayunga DLG	2	25,000,000	2	20,000,000	2	2	0
12	Kibaale DLG	0	0	3	8,500,000	3	3	0
13	Kikuube DLG	0	0	2	5,000,000	2	2	0
14	Kyenjojo DLG	0	0	1	10,000,000	1	1	0
15	Luwero DLG	0	0	7	0	7	6	1
16	Masindi DLG	0	0	5	16,000,000	5	3	2
17	Masindi MC	0	0	5	12,000,000	5	2	3
18	Mityana DLG	0	0	0	0	0	0	0
19	Mukono DLG	1	5,000,000	3	45,000,000	3	3	0
20	Nakaseke DLG	1	8,000,000	6	59,500,000	6	6	0
21	Nakasongola DLG	0	0	4	50,000,000	2	2	2
22	Ngora DLG	0	0	0	0	0	0	0
23	Soroti DLG	0	0	2	8,000,000	2	2	0
24	Wakiso DLG	27	182,000,000	7	80,000,000	7	7	0
	Total	**33**	**221,000,000**	**84**	**502,800,000**	**82**	**66**	**18**

Appendix 9: Operationalisation of new cities

SN	Entity Name	Budget Performance				Local revenue sharing			
		Approved budget	Actual collections	Shortfall	%age shortfall	Expected remittance to Division	Actual remittance to Divisions	Under-remittance	%age Under-remitted
1	Jinja	58,090,748,734	50,969,290,015	7,121,458,719	12%	1,844,294,373	1,593,317,055	250,977,318	14%
2	Mbarara	62,491,147,300	56,163,575,756	6,327,571,544	10%	1,699,120,258	1,583,212,950	115,907,308	7%
3	Mbale	54,509,554,490	54,509,554,490	0	0%	784,455,187	594,895,194	189,559,993	24%
4	Hoima	33,529,655,343	32,440,208,365	1,089,446,978	3%	875,092,462	654,869,681	220,222,781	25%
5	Soroti	32,245,918,630	27,191,436,469	5,054,482,161	16%	0	0	0	0%
6	Fort portal	32,686,993,162	31,666,904,298	1,020,088,864	3%	1,041,451,036	1,041,451,036	0	0%
7	Lira	54,602,635,918	42,012,644,858	12,589,991,060	23%	0	0	0	0%
8	Masaka	42,593,236,710	39,377,424,934	3,215,811,776	8%	1,038,919,625	1,079,682,076	(40,762,452)	04%
9	Arua	45,846,863,296	43,619,346,734	2,227,516,562	5%	1,500,454,549	1,454,515,574	45,938,975	3%
10	Gulu	51,960,870,117	49,386,722,617	2,574,147,500	5%	1,246,807,408	1,619,093,938	(372,286,531)	030%
	Total	**468,557,623,700**	**427,337,108,536**	**41,220,515,164**	**9%**	**10,030,594,896**	**9,621,037,504**	**409,557,393**	**4%**

Appendix 10 a: Funding and absorption of UGIFT

SN.	Entity Name	Approved budget (UGX)	Warrants/ Release (UGX)	Expenditure (UGX)	Unspent balance
1	Adjumani DLG	5,042,542,567	3,431,050,296	1,555,597,275	1,875,453,021
2	Amolatar DLG	3,225,212,064	3,225,212,064	779,510,361	2,445,701,703
3	Amuria DLG	1,230,500,000	1,230,500,000	123,050,000	1,107,450,000
4	Arua DLG	1,159,389,000	1,159,389,000	-	
5	Bukomansimbi DLG	2,105,522,000	2,105,522,000	2,105,522,000	-
6	Bundibugyo DLG	1,658,409,128	1,658,409,128	291,525,179	1,366,883,949
7	Bunyangabu DLG	679,204,564	679,204,564		679,204,564
8	Bushenyi DLG	1,166,331,649	1,166,331,649	-	1,166,331,649
9	Dokolo DLG	295,105,891	295,105,891	110,919,587	184,186,304
10	Gomba DLG	1,155,460,496	1,155,460,496	220,859,367	934,601,129
11	Ibanda DLG	649,939,000	649,939,000	396,510,597	253,428,403
12	Jinja City	900,000,000	900,000,000	520,510,899	379,489,101
13	Kabale DLG	1,185,000,000	1,185,000,000	272,474,121	912,525,879
14	Kabale MC	1,163,014,383	1,163,014,383	-	1,163,014,383
15	Kabarole DLG	3,681,530,094	3,681,530,094	1,972,555,923	1,708,974,171
16	Kagadi DLG	613,326,018	613,326,018	552,095,741	61,230,277
17	Kakumiro DLG	3,740,035,424	3,740,035,424	3,035,355,266	704,680,158
18	Kalaki DLG	1,360,330,000	1,360,330,000	-	1,360,330,000
19	Kanungu DLG	1,823,747,325	1,823,747,325	832,671,749	991,075,576
20	Kasese DLG	2,162,414,030	2,129,103,023	1,792,954,268	590,609,829

21	Katakwi DLG	2,136,162,000	2,136,162,000	553,271,620	1,582,890,380
22	Kazo DLG	1,234,328,086	1,234,328,086	370,298,425	864,029,661
23	Kiruhura DLG	3,626,296,934	3,626,296,934	883,171,494	2,743,125,440
24	Kitagwenda DLG	1,004,760,793	1,004,760,793	63,609,236	941,151,557
25	Koboko	617,500,000	617,500,000	185,250,000	432,250,000
26	Koboko DLG	1,339,266,988	1,339,266,988	-	1,339,266,988
27	Kole DLG	1,124,587,408	1,124,587,408	-	1,124,587,408
28	Kumi DLG	1,209,407,573	1,209,407,573	-	1,209,407,573
29	Kyenjojo DLG	5,645,295,808	5,645,295,808	2,687,505,537	2,957,790,271
30	Lwengo DLG	1,920,374,181	1,572,093,781	-	1,572,093,781
31	Maracha DLG	5,081,827,353	3,616,146,706	3,068,469,875	547,676,831
32	Mitooma DLG	1,968,827,575	1,968,827,575	504,649,000	1,464,178,575
33	Moyo DLG	606,966,721	606,966,721	299,368,912	307,597,809
34	Nakaseke DLG	1,331,654,302	1,331,654,302	552,634,095	779,020,207
35	Nebbi DLG	4,903,975,634	4,903,975,634	2,343,750,153	2,560,225,481
36	Pakwach DLG	2,880,993,432	2,880,993,432	2,079,770,185	801,223,247
37	Rubanda DLG	2,685,000,000	2,550,461,621	1,107,668,839	1,442,792,782
38	Rubirizi DLG	2,078,380,811	2,078,380,811	8,800,000	2,069,580,811
39	Rukungiri DLG	2,090,390,500	2,090,390,500	1,505,081,159	585,309,341
40	Sheema DLG	2,165,067,757	2,165,067,757	972,196,519	1,192,871,238
41	Sironko DLG	1,658,859,727	1,658,859,727	500,642,362	1,158,217,365
42	Wakiso DLG	1,373,169,216	1,373,169,216	314,651,999	1,058,517,217
43	Zombo DLG	1,553,346,819	1,553,346,819	481,192,683	1,072,154,136
	Total	**85,233,453,251**	**81,640,150,547**	**33,044,094,426**	**47,691,128,195**

Appendix 10 b: Delayed progress of works/constructions of UGIFT projects

SN	Entity Name	Sector	Number of projects	Contract price	Start date	End date	Amount paid	Project status (Based on payment)	Project status (Based on audit inspection, project manager's report and payment certificates)	Total contract period	Contract period at end of FY	Delay in contract implementation in months
1	Nakaseke DLG	Health	1	657,828,203	23/04/2021	23/01/2022	141,753,982	22%		9	14	5
2	Gomba DLG	Health	2	147,425,167	07/02/2022	07/06/2022	132,682,650	90%		4	5	1
3	Gomba DLG	Health	2	147,241,887	07/02/2022	07/06/2022	71,390,952	48%		4	5	1
4	Sironko DLG	Health	1	641,353,154	17/12/2019	30/06/2020	500,642,362	78%		7	31	24
5	Bududa DLG	Health	3	641,353,154	17/12/2019	30/06/2020		0%		7	31	24
6	Dokolo DLG	Health	2	145,114,777	28/11/2021	30/05/2022	-	0%	35%	6	7	1
7	Kanungu DLG	Health	1	795,282,480	06/04/2021	24/05/2022	561,273,723	71%	90%	14	15	1
8	Kasese DLG	Health	1	518,372,154	13/03/2021	13/09/2021	469,315,435	91%	90%	6	16	10
9	Kasese DLG	Health	1	654,136,098	04/03/2021	30/05/2022	383,929,312	59%	75%	15	16	1
10	Kiruhura DLG	Health	1	1,229,877,542	30/03/2021	30/11/2021	642,116,001	52%	70%	8	15	7
11	Kiruhura DLG	Health	1	299,935,634	16/04/2021	16/11/2021	250,154,636	83%	70%	7	15	8
12	Bunyangabu DLG	Health	1	679,204,564	19/05/2021	14/10/2021	-	0%	70%	5	14	9
13	Kabale DLG	Health	1	150,000,000	15/03/2022	15/06/2022	50,982,711	34%	33%	3	4	1
14	Sheema DLG	Health	1	159,730,098	07/04/2022	07/06/2022	34,216,971	21%		2	3	1
15	Nakaseke DLG	Education	1	657,828,203	23/04/2021	23/01/2022	-	0%	0%	9	14	5
16	Kanungu DLG	Education	1	2,081,740,500	09/01/2019	15/10/2021	1,494,594,766	72%	87%	34	42	9
17	Rukungiri DLG	Education	1	2,090,390,500	29/09/2019	05/06/2021	1,505,081,159	72%	90%	21	34	13
18	Kyenjojo DLG	Education	1	2,150,170,030	28/03/2019	30/08/2020	2,000,047,945	93%	78%	17	40	22
19	Bunyangabu DLG	Education	1	1,949,557,600	30/04/2019	30/04/2021	1,730,754,431	89%	85%	24	39	14
20	Adjumani DLG	Education	1	721,236,662	14/05/2019	14/11/2021	648,243,471	90%	90%	31	38	8
21	Adjumani DLG	Education	1	820,105,237	23/12/2019	23/06/2020	705,843,593	86%	85%	6	31	25
22	Adjumani DLG	Education	1	252,938,204	26/04/2021	25/06/2021	201,510,211	80%	77%	2	14	12
23	Nebbi DLG	Education	1	2,101,789,485	22/05/2019	22/05/2022	1,879,791,406	89%	89%	37	38	1
24	Maracha DLG	Education	1	1,924,805,491	29/04/2020	30/04/2022	1,910,739,849	99%	85%	24	26	2

	Total		**29**	**21,617,416,824**			**15,315,065,566**					

Appendix 10 c: Engineering Brigade: **STATUS REPORT ON MOLG PROJECTS BEING IMPLEMENTED BY THE UPDF ENGINEERS BRIGADE AS AT 30 NOVEMBER 2022**

S/N	PROJECT NAME	PROJECT LOCATION	PROJECT COST (UGX)	AMOUNT RECEIVED BY ENGRS BDE (UGX)	AMOUNT RELEASED TO THE PROJECT (UGX)	AVAILABLE BALANCE (UGX)	FINANCIAL PERFORMANCE	PHYSICAL PERFORMANCE	REMARKS
1	Functionalisation of Butebo HC IV	Butebo District	1,431,451,245	1,431,451,245	715,725,623	715,725,622	50%	30%	WIP
2	Constrn of General Ward & 4 stance VIP Latrine		280,553,154	280,553,154	140,276,577	140,276,577			
3	Constrtn Works Of Medical Store with 02 Office Rooms at District HQs	Kiruhura District	133,722,679	133,722,679	66,861,340	66,861,340	50%	68%	WIP
4	Constrn Works at Bufumbo HC IV	Mbale District	247,555,361	219,670,404	109,835,202	109,835,202	44%	62%	WIP
5	Maternity Ward At Kinoni Health Centre III in Kinoni Sub-county	Nakaseke District	450,166,992	292,870,556	146,435,278	146,435,278	33%	52%	WIP
6	Construction Of Maternity Ward At Mifunya Health CentreIII in Nakaseke Sub-County								
7	Construction of an incinerator at Ntara Health Centre IV	Kitagwenda District	107,928,535	107,928,535	53,964,268	53,964,268	50%	60%	WIP
8	Construction of a laboratory at Kikyenkye Health Centre III								
9	Refurbishment of Medicine Stores at Pallisa Gen Hospital	Pallisa District	318,788,531	318,788,531	97,095,755	221,692,776	30%	40%	WIP
10	Construction of a new Maternity Ward at Kazo HC IV	Kazo	437,298,176	796,323,012	469,601,865	326,721,147	59%	67%	WIP
11	Completion of a maternity ward Phase II for Kazo HC IV		119,848,338						
12	Construction of 2 in 1 Staff Houses at Kijuma HC II		71,951,187						
13	Construction of 2 in 1 Staff Houses at Rwigi HC II		71,951,187						
14	Renovation of OPD at Kaicumu HC II		21,716,102						

15	Extra works Kazo DLG		73,558,022							
16	Labour suit remodelling at Budaka HC IV	Budaka District	42,495,075	52,300,000	48,639,000	3,661,000	38%	52%	WIP
17	Construction of Pit Latrine at Lyama HC III		18,014,500						
18	Construction of a Placenta Pit at Naboa HC III		15,430,275						
19	Repair of House at Kameruka HC III		18,726,225						
20	Fencing Facility at Kerekerene HC III		15,372,000						
21	Fencing at Mugiti HC III		17,350,000						
22	Construction Of A General Maternity Ward At Ossi Health Centre- Phase-I	Nebbi District	305,941,656	305,941,656	284,525,740	21,415,916	93%	60%	WIP
23	Renovation Of Kikobe Health Centre II OPD								
24	Renovation Of Jupangira Health Centre II OPD								
25	Construction Of 2 Stance Washroom At Jupangira Health Centre II OPD								
26	Construction Of 4stance VIP Latrine In Erussi Health Centre II								
27	Fencing Of Nyaravur Health Centre III								
28	Construction of Staff house at Mulehe HC	Kisoro District	507,616,737	507,616,737	253,808,369	253,808,369	50%	58%	WIP
29	Construction of Bunagana Gen Ward								
30	Construction of Bukuya HC IV	Kasanda District	1,358,143,675	950,000,000	703,635,255	246,364,745	52%	40%	WIP
31	Expnsion and remodelling of the OPD at Buwama HC III	Mpigi District	59,228,805	319,709,326	228,592,168	91,117,158	68%	60%	WIP
32	General repairs, remodelling, partitioning, re-roofing & electrical installation of the olf staff hous at Kampiringisa HC III		88,005,475						
33	General Renovation of Kafumu HC II		17,376,108						
34	General Renovation of MCH Block at Bunjanko HC III		19,882,233						
35	Installation of 10,000 litre tank at Ggolo HC III		5,217,250						

36	Second phase of renovation of health department Block (Tiling of DHO Block)		41,686,750						
37	Construction of a Placenta Pit at Ggolo HC III		7,123,340						
38	3 stance waternourne toilet with a bathroom at Butooro HC III		30,902,520						
39	3 Stance waterbourne toilet with bathroom at Mpigi health dep		30,576,775						
40	Waiting shade at Kituntu HC III		37,325,375						
41	Waterbourne toilet/bathroom at Kamuli Gen Hosp	Kamuli District	23,261,576	256,314,453	156,700,453	99,614,000	61%	50%	WIP
42	Antenental Shade at Kamuli Gen Hosp		20,121,200						
43	Expansion of Labaratory at Nawendwa HC IV		57,323,858						
44	Two in one Staff House at Kawaaga HC II		41,134,100						
45	Renovation of Maternity Ward at Nawankofu HC II		34,709,000						
46	Renovation of OPD at Nawankofu HC II		18,499,500						
47	Fencing Kasambira HC II		24,965,823						
48	Fencing Kasambira Balawoli HC III		19,638,180						
49	Placenta Pit at Namaira HC II		8,330,608						
50	Placenta Pit at Kasambira HC II		8,330,608						
51	Construction of Nsotoka Health Centre III	Kayunga District	980,494,263	143,813,882	446,077,126	-302,263,244	45%	43%	WIP
52	Construction of DHO's Staff house at Nsotoka HC III								
53	Renovation of an OPD at Bisina HC II	Katakwi District	115,444,090	115,444,090	57,722,045	57,722,045	50%	56%	WIP
54	Renovation of OPD at Kapujan HC III								
55	Renovation of Olilim HC II								
56	Renovation of DHO's Office								
57	Construction of Semi Detached staff house at Bulele HC III	Buhweju District	38,313,488	38,313,488	19,156,744	19,156,744	50%	50%	WIP
58	Construction of a 2 stance VIP Latrine with urinal at Kalungu HC III								
59	Fencing at Busabaga HC III		130,647,169	210,909,726	105,454,863	105,454,863	50%	68%	

60	Renovation of the OPD at Kizigo HC II	Lugazi Municipality	39,935,444						
61	Renovation of Najjembe HC III Staff Quarters		23,500,253						
62	Construction of an incenerator at Najjembe HC III		16,581,902						
63	Construction of OPD Block & 2 stance latrine at Kigara HC II	Isingiro District	210,664,767	1,285,941,186	642,970,593	642,970,593	50%	48%	WIP
64	Construction of OPD Block & 2 stance latrine at Kagaga HC II		188,306,650						
65	Construction of OPD Blockk & 2 stance latrine at Kyabahesi HC II		181,644,150						
66	Construction of OPD Block & 2 stance linned latrine at Burunduma		178,124,150						
67	Construction of OPD Block & 2 stance latrine at Rwantaha		180,722,150						
68	Construction of OPD Block & a 2 stance lined latrine atWanjojera		187,884,025						
69	Repairs & maintainence of Health office block at District HQs		50,147,600						
70	Construction of a 2 bedroomed twin staff house & a 2 stance lined latrine at Kyarumunga HC II		158,462,300						
71	Construction of a 2 Bedroom twin staff house & a 2 stance lined latrined at Rwakakwenda HC II		157,179,800						
72	Construction Works at Female Ward at Kityerera HC IV	Mayuge District	344,197,767	337,448,791	153,992,434	183,456,357	45%	38%	WIP
73	Construction of a maternity ward at Buwambo HC IV	Nansana Municipality	567,886,800	307,984,868	30,000,000	277,984,868	5%	15%	WIP
74	Construction Works at Muwangi HC II	Kyankwanzi District	370,235,033	370,235,033	185,000,000	185,235,033	50%	48%	WIP
75	Functionalisation of Kachumbala HC IV	Bukedea District	1,773,095,134	1,773,095,134	822,000,000	951,095,134	46%	33%	WIP
76	Constrn of Operation Theatre at Bitereko HC III	Mitooma District	1,031,793,148	309,537,944	287,870,288	21,667,656	28%	35%	WIP
77	Constrn of Operation Theatre & Mortury at Rutete HC III	Kabarole District	326,245,846	311,778,181	97,540,822	214,237,359	30%	48%	WIP

78	Renovation of maternity ward at Nambieso Health Centre III	Kwania District	77,895,965	148,499,903	106,152,432	42,347,472	50%	65%	WIP
79	Construction of mortuary at Aduku Health Centre III		70,603,938			-			
80	Construction of a theatre at Kataraka HC IV	Fortportal City	685,000,000	685,000,000	316,812,500	368,187,500	46%	20%	WIP
81	Construction of a maternity ward at Karambi HC III								
82	Fencing Magada HC III	Namutumba	157,217,180	157,217,180	73,105,988	84,111,192	46%	10%	Mobilization
83	Partial Fencing Bulange HC III								
84	Renovation of Kiranga HC II								
85	Renovation of ADHO's Office at District HQs								
86	Renovation of Kisumu HC II								
87	Construction of Placenta Pit at Nagonde HC II								
88	Construction of Placenta Pit at Kiranga HC II								
	Total		**14,901,441,748**	**12,168,409,694**	**6,819,552,726**	**5,348,856,968**			

Appendix 11 a: USMID AF – Refugee Hosting Districts

		Rehabilitation and Construction of infrastructure investments			**USMID-AF Operations**			**Total**		
SN	**Entity Name**	**Release**	**Expenditure**	**% absorption**	**Release**	**Expenditure**	**% absorption**	**Release**	**Expenditure (UGX)**	**% absorption**
1	Adjumani DLG	4,853,248,410	338,536,708	7%	0	0	0%	4,853,248,410	338,536,708	7%
2	Arua DLG	1,463,289,437	0	0%	300,000,000	41,849,600	14%	1,763,289,437	41,849,600	2%
3	Isingiro DLG	9,434,605,852	0	0%	1,048,178,428	10,165,005	1%	10,482,784,280	10,165,005	0%
4	Kamwenge DLG	4,914,506,357	0	0%	29,765,500	29,765,500	100%	4,944,271,857	29,765,500	1%
5	Kiryandongo DLG	5,544,916,324	0	0%	32,200,200	32,200,200	100%	5,577,116,524	32,200,200	1%
6	Lamwo DLG	3,350,000,000	635,586,050	19%	325,725,859	40,525,300	12%	3,675,725,859	676,111,350	18%
7	Madi Okollo DLG	2,991,756,515	727,705,114	24%	95,000,000	93,941,000	99%	3,086,756,515	821,646,114	27%
8	Moyo DLG	1,095,371,099	675,680,828	62%	0	0	0%	1,095,371,099	675,680,828	62%
9	Obongi DLG	1,947,326,000	1,477,193,598	76%	0	0	0	1,947,326,000	1,477,193,598	76%
10	Terego DLG	3,570,661,110	1,132,137,519	32%	396,740,124	244,909,502	62%	3,967,401,234	1,377,047,021	35%
11	Yumbe DLG	8,317,933,336	2,400,868,250	29%	408,272,902	408,272,902	100%	8,726,206,238	2,809,141,152	32%

	Total	**47,483,614,440**	**7,387,708,067**	**16%**	**2,635,883,013**	**901,629,009**	**34%**	**50,119,497,453**	**8,289,337,076**	**17%**

Appendix 11 b: Implementation of USMID-AF in Refugee Hosting Districts during FY2020/21

		Rehabilitation and Construction of Infrastructure Investments 2020/21		**Rehabilitation and Construction of Infrastructure Investments 2021/22**							
SN	**Entity Name**	**Amount Released**	**Number of planned projects**	**Amount Released**	**Amount spent**	**Un-utilised**	**Number of planned projects**	**Partially implemented**		**Un-implemented**	
1	Adjumani DLG	12,347,521,704	8	4,853,248,410	338,536,708	4,514,711,702	3	3	4,853,248,410	0	0
2	Arua DLG	15,399,557,319	8	1,463,289,437	0	1,463,289,437	2	0	0	2	1,463,289,437
3	Isingiro DLG	6,947,343,000	6	9,434,605,852	0	9,434,605,852	10	0	0	10	9,434,605,852
4	Kamwenge DLG	6,970,678,105	6	4,944,271,857	29,765,500	4,914,506,357	6	0	0	6	4,944,271,857
5	Kiryandongo DLG	4,747,486,820	9	5,544,916,324	0	5,544,916,324	7	0	0	7	5,544,916,324
6	Lamwo DLG	0	0	3,350,000,000	635,586,050	2,714,413,950	4	2	3,350,000,000	2	2,200,000,000
7	Madi Okollo DLG	0	0	2,990,756,515	727,705,114	2,263,051,401	8	5	2,991,756,515	3	0
8	Moyo DLG	1,162,000,000	1	1,095,371,099	675,680,828	419,690,271	1	1	1,095,371,099	0	0
9	Obongi DLG	2,365,018,000	3	1,947,326,000	1,477,193,000	470,133,000	3	3	1,947,326,000	0	0
10	Terego DLG	0	0	3,570,661,110	1,132,137,519	2,438,523,591	4	3	3,570,661,110	1	0
11	Yumbe DLG	10,671,408,000	5	8,317,933,336	2,809,141,152	5,508,792,184	5	5	8,317,933,336	0	0
	Total	**60,611,012,948**	**46**	**47,512,379,940**	**7,825,745,871**	**39,686,634,069**	**53**	**22**	**26,126,296,470**	**31**	**23,587,083,470**

Appendix 12: USMID – Cities and Municipal councils

SN	Entity Name	Funding and absorption of funds					Delayed contract implementation				Unreleased previous year committed funds	
		Approved budget (UGX)	Warrants/ Release (UGX)	Expenditure (UGX)	% absorption	Unutilized Funds	Start date	Contract period in FY	Status (Completed, Partially completed, Not started)	Unspent balance FY 2020/2021	Amount re-voted FY 2021/2022	Amount un-re-voted
1	Arua City	11,136,490,022	11,136,490,022	11,133,069,900	100%	3,420,122	Jan-22	5	Partial	-	-	-
2	Fort Portal City	9,147,407,697	9,147,407,697	4,634,251,113	51%	4,513,156,584	Apr-22	2	Partial	-	-	-
3	Hoima City	17,436,501,888	17,436,501,888	12,832,857,565	74%	4,603,644,323			Partial	30,153,131,886	-	30,153,131,886
4	Jinja City	14,018,316,913	14,018,316,913	9,489,145,161	68%	4,529,171,752	02/03/2022	3	Not started	1,714,473,110	-	1,714,473,110
5	Kamuli MC	13,148,341,701	13,148,341,701	7,000,932,883	53%	6,147,408,818	0	0	Not started			-
6	Lugazi MC	18,019,273,284	18,019,273,284	11,032,843,665	61%	6,986,429,619	0	0	Not started			-
7	Masaka City	14,445,481,454	14,445,481,454	13,845,481,453	96%	600,000,001	12/05/2021	13	Partial	19,529,858,900	14,445,481,454	5,084,377,446
8	Mbale City	18,797,865,000	18,797,865,000	18,684,130,139	99%	113,734,861	20/11/2020	19	Partial	-	-	-
9	Mubende MC	19,123,795,715	19,123,795,715	15,277,674,152	80%	3,846,121,563	08/05/2021	13	Partial	26,879,987,744	19,123,795,715	7,756,192,029
10	Soroti City	10,860,092,650	10,860,092,650	10,798,602,908	99%	61,489,742	19/10/2020	20	Partial	-	-	-
11	Tororo City	10,187,945,000	10,187,945,000	10,167,009,589	100%	20,935,411	28/01/2021	17	Partial	-	-	-
	Total	**156,321,511,324**	**156,321,511,324**	**124,895,998,528**		**31,425,512,796**				**78,277,451,640**	**33,569,277,169**	**44,708,174,471**

Appendix 13 a: LRDP budget allocation

SN	Entity Name	Infrastructure Projects, including Physical Planning and land titling			Performance Improvement			Investment Servicing and Monitoring		
		Actual expenditure per Expenditure item	Actual Allocation	Allocation variance	Actual expenditure per Expenditure item	Actual Allocation	Allocation variance	Actual expenditure per Expenditure item	Actual Allocation	Allocation variance
1	Bundibugyo DLG	268,592,000	74%	Outside threshold	51,674,000	14%	Outside threshold	41,900,000	12%	Outside threshold
2	Kyenjojo DLG	407,749,461	76%	Outside threshold	47,000,000	9%	Within threshold	80,756,838	15%	Outside threshold
3	Wakiso DLG	225,000,000	52%	Outside threshold	15,000,000	3%	Within threshold	189,356,091	44%	Outside threshold
4	Bunyangabu DLG	233,216,284	79%	Outside threshold	30,237,300	10%	Outside threshold	32,442,400	11%	Outside threshold
5	Nakasongola DLG	266,052,402	75%	Outside threshold	53,210,480	15%	Outside threshold	35,473,654	10%	Outside threshold
6	Mityana DLG	348,107,461	72%	Outside threshold	53,493,203	11%	Outside threshold	84,676,617	17%	Outside threshold
7	Ntoroko DLG	122,978,000	64%	Outside threshold	49,175,000	26%	Outside threshold	19,023,000	10%	Within threshold
	Total	**1,871,695,608**	**70%**		**299,789,983**	**13%**		**483,628,600**	**17%**	

Appendix 13 b: LRDP funding and infrastructure projects implemented

SN	Entity Name	Total Funding				Infrastructure Projects, including Physical Planning and Land Titling			
		Budget	Released	Expenditure	% Absorption	Planned activities	Actual activities implemented	Un-implemented	Value of un-implemented activities
1	Kyankwanzi DLG	1,267,741,700	1,267,741,700	1,266,623,782	100%	12	12	0	
2	Kyegegwa DLG	1,931,586,000	1,931,586,000	1,918,767,748	99%			0	
3	Bundibugyo DLG	1,038,426,579	1,038,426,579	1,038,426,579	100%	15	15	0	
4	Kasese DLG	2,321,758,202	2,285,424,852	2,285,424,852	100%	6	6	0	
5	Kyenjojo DLG	2,143,515,541	2,143,525,541	1,867,516,712	87%	6	5	1	152,101,471
6	Mukono DLG	1,944,284,484	1,944,284,484	1,944,284,484	100%	6	6	0	
7	Wakiso DLG	1,234,586,967	1,234,586,967	1,124,586,967	91%	3	2	1	100,000,000
8	Nakaseke DLG	943,169,464	933,178,464	933,178,464	100%	5	5	0	
9	Kayunga DLG	1,952,328,754	1,952,418,754	1,952,328,754	100%	18	18	0	
10	Kabarole DLG	1,178,354,709	1,178,354,709	1,148,825,103	97%	5	5	0	
11	Bunyangabu DLG	867,098,000	867,098,000	833,928,841	96%	7	3	4	109,344,522
12	Nakasongola DLG	994,681,700	994,681,700	994,681,700	100%	4	2	2	66,796,861
13	Mityana DLG	1,234,868,818	1,231,058,816	1,230,755,506	100%	5	5	0	
14	Kiboga DLG	819,532,000	819,532,000	819,532,000	100%			0	
15	Mubende DLG	1,989,903,534	1,989,903,534	1,989,903,534	100%			0	
16	Kassanda DLG	1,353,538,052	1,353,538,052	1,353,538,052	100%	4	4	0	

17	Luwero DLG	1,917,397,000	1,917,397,000	1,916,857,000	100%	11	11	0	
18	Ntoroko DLG	494,183,000	494,183,000	495,138,000	100%	2	1	1	92,978,000
	Total	**25,626,954,504**	**25,576,920,152**	**25,114,298,078**	**98%**	**109**	**100**	**9**	**521,220,854**

Appendix 13 c: LRDP performance improvement and transfer of LRDP funds to the LLGs

SN	Entity Name	Performance Improvement Activities				Investment Servicing and Monitoring		Transfers of LRDP funds to the LLGs		
		Number of planned activities	Number of actual activities	Implementation of ineligible activities		No. of planned activities	No. of actual activities	Expected transfer to LLGs 65%	Actual transfers to LLGs	Variance
				No. of ineligible Activities	Amount of ineligible activities					
1	Kyankwanzi DLG	4	4	0	0	3	3	824,032,105	819,274,368	4,757,737
2	Kyegegwa DLG	0	0	0	0	0	0	1,255,530,900	1,131,346,000	124,184,900
3	Bundibugyo DLG	5	5	1	3,000,000	5	5	674,977,276	674,977,276	0
4	Kasese DLG	1	1		0	1	1	1,485,526,154	1,479,319,000	6,207,154
5	Kyenjojo DLG	1	1	0	0	6	6	1,393,291,602	1,332,010,413	61,281,189
6	Mukono DLG	9	9		0	2	2	1,263,784,915	1,081,481,484	182,303,431
7	Wakiso DLG	1	1	0	0	2	2	802,481,529	695,230,876	107,250,653
8	Nakaseke DLG	1	1	0	0	2	2	606,566,002	606,566,002	0
9	Kayunga DLG	12	12	0	0	11	11	1,269,072,190	1,147,877,991	121,194,199
10	Kabarole DLG	10	10	0	0	3	3	765,930,561	615,990,709	149,939,852
11	Bunyangabu DLG	2	2	0	0	2	2	563,613,700	538,032,857	25,580,843
12	Nakasongola DLG	4	4	0	0	4	4	646,543,105	639,945,164	6,597,941
13	Mityana DLG	3	3	0	0	3	3	800,188,230	744,478,225	55,710,005
14	Kiboga DLG	0	0	0	0	0	0	532,695,800	531,532,000	1,163,800
15	Mubende DLG	0	0	0	0	0	0	1,293,437,297	1,129,817,468	163,619,829
16	Kassanda DLG	8	8	0	0	3	3	879,799,734	871,639,052	8,160,682
17	Luwero DLG	6	6	0	0	5	5	1,246,308,050	1,137,134,046	109,174,004
18	Ntoroko DLG	3	3	0	0	1	1	321,218,950	303,962,000	17,256,950
	Total	**70**	**70**	**1**	**3,000,000**	**53**	**53**	**16,624,998,099**	**15,480,614,931**	**1,144,383,168**

Appendix 14 a: Uganda Road Fund (URF)

SN	Entity Name	Total amount received	Amount transferred to LLGS	Retained at the HLG	Budget (HLG roads)	Variance	% performance
1	Alebtong DLG	336,463,117	124,730,908	211,732,209	402,031,328	190,299,119	53%
2	Amolatar DLG	331,885,110	155,277,564	176,607,546	336,224,000	159,616,454	53%
3	Amuria DLG	345,774,755	161,699,571	184,075,184	424,535,000	240,459,816	43%
4	Arua DLG	164,956,449	31,696,000	133,260,449	253,613,790	120,353,341	53%
5	Bududa DLG	670,148,414	519,111,845	151,036,569	287,444,480	136,407,911	53%
6	Buhweju DLG	221,095,000	101,762,000	119,333,000	227,111,000	107,778,000	53%
7	Buikwe DLG	1,013,737,880	695,936,777	317,801,103	628,820,218	311,019,115	51%
8	Bukedea DLG	345,774,755	161,699,571	184,075,184	350,321,032	166,245,848	53%
9	Bukomansimbi DLG	282,957,645	95,773,000	187,184,645	356,644,352	169,459,707	52%
10	Bukwo DLG	191,405,988	69,698,405	121,707,583	231,391,410	109,683,827	53%
11	Bulambuli DLG	288,278,571	166,331,220	121,947,351	232,083,000	110,135,649	53%
12	Bundibugyo DLG	589,482,682	367,288,018	222,194,664	422,868,000	200,673,336	53%
13	Bushenyi Ishaka MC	470,031,981	0	470,031,981	673,951,000	203,919,019	70%
14	Busia MC	363,873,000	0	363,873,000	549,347,000	185,474,000	66%
15	Butaleja DLG	294,837,449	142,399,303	152,438,146	329,792,000	177,353,854	46%
16	Butambala DLG	269,818,545	104,590,271	165,228,274	348,326,000	183,097,726	47%
17	Butebo DLG	164,796,294	44,503,138	120,293,156	228,934,839	108,641,683	53%
18	Entebbe MC	936,074,161	0	936,074,161	1,342,581,000	406,506,839	70%
19	Fort Portal City	571,923,518	0	571,923,518	819,436,000	247,512,482	70%
20	Gomba DLG	316,809,711	97,468,502	219,341,209	417,437,000	198,095,791	53%
21	Hoima DLG	277,889,791	94,092,354	183,797,437	378,930,000	195,132,563	49%
22	Ibanda DLG	714,470,171	533,639,854	180,830,317	344,145,543	163,315,226	53%
23	Iganga DLG	227,293,000	66,048,000	161,245,000	330,317,000	169,072,000	49%
24	Iganga MC	465,029,000	0	465,029,000	670826000	205,797,000	69%
25	Kabarole DLG	398,231,897	197,296,987	200,934,910	393,371,000	192,436,090	51%
26	Kaberamaido DLG	165,457,780	78,979,290	86,478,490	164,599,980	78,121,490	53%
27	Kakumiro DLG	376,143,290	160,955,323	215,187,967	409,540,126	194,352,159	53%
28	Kalaki DLG	124,741,409	47,729,421	77,011,988	146,564,673	69,552,685	53%
29	Kamwenge DLG	704,213,234	115,885,008	588,328,226	733,613,100	145,284,874	80%
30	Kapelebyong DLG	130,310,301	36,051,561	94,258,740	179,388,000	85,129,260	53%
31	katakwi DLG	258,936,063	89,328,293	169,607,770	322,787,501	153,179,731	53%
32	Kayunga DLG	535,752,747	140,083,934	395,668,813	703,764,575	308,095,762	56%
33	Kibuku DLG	253,694,989	88,566,494	165,128,495	314,267,000	149,138,505	53%
34	Kikuube DLG	289,941,000	116,958,000	172,983,000	341,822,000	168,839,000	51%
35	Kira MC	1,308,862,577	0	1,308,862,577	1,876,701,000	567,838,423	70%

SN	Entity Name	Total amount received	Amount transferred to LLGS	Retained at the HLG	Budget (HLG roads)	Variance	% performance
36	Kiruhura DLG	334,138,515	177,017,321	157,121,194	299,023,788	141,902,594	53%
37	Kisoro DLG	285,040,000	72,449,000	212,591,000	406,545,000	193,954,000	52%
38	Kisoro MC	278,913,239	0	278,913,239	399,917,226	121,003,987	70%
39	Koboko DLG	221,203,822	49,348,567	171,855,255	327,064,728	155,209,473	53%
40	Koboko MC	315,231,787	0	315,231,787	451,992,245	136,760,458	70%
41	Kole DLG	266,810,620	98,770,321	168,040,299	319,804,000	151,763,701	53%
42	Kumi DLG	340,670,714	48,678,744	291,991,970	555,701,892	263,709,922	53%
43	Kumi MC	262,813,204	0	262,813,204	376,832,336	114,019,132	70%
44	Kyegegwa DLG	305,905,886	119741701	186,164,185	354,296,695	168,132,510	53%
45	Kyenjojo DLG	655,459,000	358,566,020	296,892,980	565,029,847	268,136,867	53%
46	Kyotera DLG	1,294,908,115	1,039,408,115	255,500,000	487,513,000	232,013,000	52%
47	Lamwo DLG	898,740,497	195,289,497	703,451,000	1,040,789,000	337,338,000	68%
48	Lira City	703,934,000	0	703,934,000	884,859,000	180,925,000	80%
49	Lira DLG	266,810,620	98,770,321	168,040,299	319,804,000	151,763,701	53%
50	Lugazi MC	329,904,000	0	329,904,000	483,982,449	154,078,449	68%
51	Luuka DLG	373,970,000	119,134,000	254,836,000	300,249,000	45,413,000	85%
52	Lwengo DLG	406,657,359	175,573,010	231,084,349	467,436,757	236,352,408	49%
53	Lyantonde DLG	276,150,182	77,387,884	198,762,298	333,344,000	134,581,702	60%
54	Makindye Ssabagabo MC	1,812,621,000	0	1,812,621,000	2,910,073,000	1,097,452,000	62%
55	Manafwa DLG	238,699,614	135,707,239	102,992,375	196,009,013	93,016,638	53%
56	Masaka City	730,096,205	0	730,096,205	1,012,331,246	282,235,041	72%
57	Masaka DLG	251,898,601	35,185,601	216,713,000	452,981,732	236,268,732	48%
58	Masindi MC	384,358,750	0	384,358,750	551,109,000	166,750,250	70%
59	Mitooma DLG	285,542,278	104,181,130	181,361,148	345,212,490	163,851,342	53%
60	Mityana MC	365,845,634	0	365,845,634	530,846,654	165,001,020	69%
61	Moroto DLG	171,024,000	35,091,000	135,933,000	258,699,000	122,766,000	53%
62	Moroto MC	292,886,720	0	292,886,720	419,953,000	127,066,280	70%
63	Moyo DLG	321,375,836	141,092,832	180,283,004	389,738,585	209,455,581	46%
64	Mpigi DLG	443,564,870	149,974,506	293,590,364	558,781,000	265,190,636	53%
65	Mubende DLG	987,718,000	711,899,000	275,819,000	527,562,000	251,743,000	52%
66	Mubende MC	412,454,688	0	412,454,688	579785757	167,331,069	71%
67	Mukono DLG	859,766,863	418,935,863	440,831,000	844,611,000	403,780,000	52%
68	Nakapiripirit DLG	220,769,575	80,586,457	140,183,118	266,788,243	126,605,125	53%
69	Nakaseke DLG	781,653,176	512,027,528	269,625,648	519,464,464	249,838,816	52%
70	Nakasongola DLG	503,391,000	216,672,000	286,719,000	545,669,090	258,950,090	53%
71	Namisindwa DLG	330,423,565	145,949,746	184,473,819	349,275,000	164,801,181	53%

SN	Entity Name	Total amount received	Amount transferred to LLGS	Retained at the HLG	Budget (HLG roads)	Variance	% performance
72	Namutumba DLG	310,009,220	115,018,105	194,991,115	371,095,590	176,104,475	53%
73	Nansana MC	5,081,443,000	0	5,081,443,000	6,134,779,000	1,053,336,000	83%
74	Napak DLG	169,812,995	0	169,812,995	328,345,000	158,532,005	52%
75	Nebbi MC	287,592,164	0	287,592,164	415,520,484	127,928,320	69%
76	Ngora DLG	250,713,080	85,576,530	165,136,550	236,767,000	71,630,450	70%
77	Njeru MC	494,711,006	0	494,711,006	709,336,904	214,625,898	70%
78	Ntoroko DLG	409,144,738	272,346,920	136,797,818	248,545,000	111,747,182	55%
79	Ntungamo MC	327,470,000	0	327,470,000	474,662,000	147,192,000	69%
80	Otuke DLG	112,053,000	31,704,000	80,349,000	212,721,000	132,372,000	38%
81	Oyam DLG	365,420,462	140,076,084	225,344,378	428,862,000	203,517,622	53%
82	Oyam DLG	365,420,462	140,076,084	225,344,378	428,862,000	203,517,622	53%
83	Pakwach DLG	525,378,571	374,035,156	151,343,415	288,771,487	137,428,072	52%
84	Pallisa DLG	312,392,594	141,054,394	171,338,200	326,139,455	154,801,255	53%
85	Rubanda DLG	327,104,128	114,229,570	212,874,558	405,130,299	192,255,741	53%
86	Rubirizi DLG	280,690,311	128,143,181	152,547,130	290,437,607	137,890,477	53%
87	Rukiga DLG	290,952,317	67,482,482	223,469,835	164,170,000	059,299,835	136%
88	Rukungiri DLG	504,582,056	167,339,704	337,242,352	513,877,491	176,635,139	66%
89	Rwampara DLG	584,691,500	39,661,500	545,030,000	738,419,000	193,389,000	74%
90	Sembabule DLG	658,750,762	347,546,954	311,203,808	592,264,729	281,060,921	53%
91	Serere DLG	407,662,982	234,635,349	173,027,633	295,038,000	122,010,367	59%
92	Sironko DLG	399,815,539	165,809,536	234,006,003	484,106,602	250,100,599	48%
93	Soroti DLG	305,981,778	54,124,908	251,856,870	479,319,040	227,462,170	53%
94	Tororo DLG	570,502,278	211,125,748	359,376,530	702,216,000	342,839,470	51%
95	Tororo MC	369,649,141	0	369,649,141	530,031,000	160,381,859	70%
96	Zombo DLG	367,531,172	186,470,394	181,060,778	344,613,652	163,552,874	53%
	Total	**45,691,919,465**	**13,139,474,615**	**32,552,444,851**	**51,950,635,524**	**19,398,190,673**	**63%**

Appendix 14 b: Uganda Road Fund (URF)

SN		Routine Manual Maintenance				Routine Mechanized Maintenance				Periodic maintenance			
	Entity Name	Planned Length (Kms)	Actual length (Kms)	Planned Annual Expenditure	Actual Expenditure	Planned Length (Kms)	Actual length (Kms)	Planned Annual Expenditure	Actual Expenditure	Planned Length (Kms)	Actual length (Kms)	Planned Annual Expenditure	Actual Expenditure
1	Alebtong DLG	175.2	16	87,031,913	28,050,603	29.4	28.4	133,511,898	121,836,093	0	0	0	0
2	Amolatar DLG	284.4	0	35,446,000	0	67	56	220,663,000	134,971,776	0	0	0	0
3	Amuria DLG	66.2	39.6	41,630,000	20,042,000	58.4	22.8	62,409,000	27,495,000	15.9	0	71,800,000	0
4	Arua DLG	146.88	146.88	31,493,000	26,825,000	8	5.2	52,291,000	28,001,000	0	0	0	0
5	Bududa DLG	150.8	150.8	179,075,990	78,367,650	45.5	23.5	52,316,810	37,894,050	0	0	0	0
6	Buhweju DLG	240	150	33,643,000	23,589,000	62	42	92,876,000	64,704,000	7	1	74,737,000	14,279,000
7	Buikwe DLG	140	140	144,545,000	128,243,200	0	0	0	0	42	17.8	384,104,218	132,772,695
8	Bukedea DLG	40	21.3	35,500,000	18,637,500	63.5	33.7	184,421,032	96,821,041	15.9	8.63	25,000,000	13,125,000
9	Bukomansimbi DLG	0	0	0	0	68.9	38.5	286,766,352	151,700,000	0	0	0	0
10	Bukwo DLG	62	13.4	50,200,000	38,091,500	24	26	70,200,000	55,350,000	59	0	65,870,000	0
11	Bulambuli DLG	10.5	2	6,100,000	4,000,000	67.6	44.7	71,423,000	65,195,000	6.6	0	110,000,000	0
12	Bundibugyo DLG	50	50	60,600,000	31,750,000	40.2	38.5	159,400,000	88,516,000	0	0	0	0
13	Bushenyi Ishaka MC	10	4	51,000,000	15,800,000	51	45	274,600,000	246,507,981	36	17	130,000,000	46,000,000
14	Busia MC	58	55.9	113,124,000	112,128,000	3.2	4	307,023,000	170,776,000	0	0	0	0
15	Butaleja DLG	193	0	40,724,000	0	65.3	46	219,960,000	85,580,000	0	0	0	0
16	Butambala DLG	201.9	137	43,646,000	9,508,000	105.5	52	168,990,000	137,795,000	58	0	66,900,000	0
17	Butebo DLG	143.5	116.4	48,000,000	38,269,081	19.2	12.5	72,259,090	48,259,090	4	0	40,000,000	0
18	Entebbe MC	36.81	36.81	156,339,000	172,103,000	1,649	1,710	129,680,000	123,690,000	1.7	1.1	916,180,000	496,431,000
19	Fort Portal City	91.95	91.95	182,000,000	172,280,000	64.1	64.1	118,243,000	117,675,000	4.8	1	435,668,000	251,219,000
20	Gomba DLG	93.9	93.9	85,000,000	65,890,000	35	12.4	241,677,000	86,524,000	0	0	0	0
21	Hoima DLG	342.4	333.1	119,200,000	29,200,000	33	28	119,870,000	87,651,437	0	0	0	0
22	Ibanda DLG	135.6	45.5	130,680,000	30,033,000	72.6	72.6	139,589,000	111,791,000	0	0	0	0
23	Iganga DLG	128.14	128.14	120,400,000	66,249,000	8.89	8.89	10,374,000	10,337,000	12.66	12.66	147,571,000	62,431,000
24	Iganga MC	47.2	47.2	95,800,000	61,806,000	11.74	12	22,443,000	22,378,000	1.7	1.4	431,583,000	269,442,000
25	Kabarole DLG	174.9	109.3	101,700,000	22,368,598	112.3	106	147,000,000	134,085,000	0	0	0	0
26	Kaberamaido DLG	310	0	34,326,000	1,400,000	10	10	92,544,000	53,486,490	0	0	0	0
27	Kakumiro DLG	192	192	65,101,000	41,228,508	41	38	249,450,000	125,367,366	0		0	0
28	Kalaki DLG	960	50	45,800,000	20,736,000	14	8.1	61,206,550	31,741,956	0	0	0	0
29	Kamwenge DLG	164.3	0	96,976,000	0	51	50.5	197,708,000	179,198,100	48.4	48.4	318,689,000	318,689,000
30	Kapelebyong DLG	86	0	20,000,000	0					4	4	100,000,000	41,623,200
31	katakwi DLG	167	0	70,500,000	0	17.5	17.5	155,000,000	129,893,397	0	0	0	0
32	Kayunga DLG	0	0	0	0	105.5	52.6	488,450,000	251,466,345	0	0	0	0
33	Kibuku DLG	89.3	37.6	103,000,000	43,374,000	51.9	26.4	141,858,000	72,220,000	0	0	0	0
34	Kikuube DLG	449	287	72,400,000	41,466,000	34	11	181,353,000	58,000,000	0	0	0	0

35	Kira MC	47	44	248,960,000	195,893,000	66	58	484,500,000	390,652,000	0.5	0.4	480,041,000	299,414,000
36	Kiruhura DLG	180	19	30,000,000	3,600,000	39.9	49.3	108,000,000	88,572,600	24	9	73,000,000	35,466,429
37	Kisoro DLG	307.2	142	164,775,000	72,633,000	145	73	145,000,000	99,383,000	0	0	0	0
38	Kisoro MC	31.8	40.77	73,800,000	73,350,900	12.37	12.37	35,000,000	32,274,000	4.55	2.35	174,099,121	55,485,689
39	Koboko DLG	323.7	323.7	110,200,000	27,550,000	68.7	47	82,440,000	56,400,000	0	0	0	0
40	Koboko MC	82	82	53,200,000	49,600,000	16	16	72,000,000	72,000,000	0	0	0	0
41	Kole DLG	49	2	29,000,000	10,000,000	88	28	88,000,000	29,706,560	22	15.5	140,443,000	86,086,739
42	Kumi DLG	1242.4	621.2	125,553,000	72,720,000	24	10	175,072,892	55,738,752	104.4	40.6	146,160,000	103,905,000
43	Kumi MC	216	85	72,000,000	21,495,000	25.2	12	65,000,000	31,130,000	6	5	157,833,000	143,191,000
44	Kyegegwa DLG	300	60	57,940,224	12,300,000	94	47	224,160,118	131,645,000	0	0	0	0
45	Kyenjojo DLG	410.6	0	133,000,272	9,750,000	0	0	0	0	55.6	31	321,848,813	197,393,854
46	Kyotera DLG	222.6	14	135,271,000	14,000,000	91.7	41	242,867,000	215,713,000	0	0	0	0
47	Lamwo DLG	105.1	0	44,816,000	0	129	91.7	157,384,000	142,680,000	15.7	0	120,000,000	0
48	Lira City	60.92	80.77	267,000,000	195,892,000	25.1	31	386,839,000	337,060,000	0	0	0	0
49	Lira DLG	49	2	29,000,000	10,000,000	88	28	88,000,000	29,706,560	22	15.5	140,443,000	86,086,739
50	Lugazi MC	30	30	41,400,000	41,400,000	32	32	395,680,000	395,680,000	0	0	0	0
51	Luuka DLG	175.58	0	45,150,000	0	25.6	24.2	112,661,000	98,734,000	0	0	0	0
52	Lwengo DLG	187	0	21,990,987	0	115	62.9	332,036,824	180,851,865	0	0	0	
53	Lyantonde DLG	316	0	44,000,000	0	34.4	26	126,000,000	85,512,298	6	6	30,000,000	30,000,000
54	Makindye Ssabagabo MC	25	10	90,000,000	25,404,000	0	10.2	0	79,996,000	7	8.2	760,000,000	366,549,000
55	Manafwa DLG	0	0	0	0	22	10	41,700,003	30,325,855	3	1	87,900,000	42,349,420
56	Masaka City	44.6	44.6	166,773,000	136,465,102	43.8	43.8	216,153,567	212,811,703	12	12	529,404,679	288,559,400
57	Masaka DLG	81.57	0	47,963,160	4,718,000	98.59	47.89	275,108,990	134,443,000	4	4	36,892,215	36,752,000
58	Masindi MC	218.7	115	215,980,000	117,043,850	42	39.7	117,600,000	109,053,000	3.7	3	76,899,000	49,996,000
59	Mitooma DLG	69	5	60,400,000	700,000	200.5	116	216,500,490	137,024,000	0	0	0	0
60	Mityana MC	53.8	53.8	31,804,000	29,051,000	38.2	12.7	375,063,000	252,785,000	0	0	0	0
61	Moroto DLG	110	110	67,699,000	25,161,000	26	12	128,798,000	39,183,744	0	0	0	0
62	Moroto MC	56.8	56.8	54,200,000	54,200,000	2.93	2.93	42,855,000	42,855,000	1.22	0.88	217,000,000	99,232,000
63	Moyo DLG	77.7	46.03	147,398,206	87,314,028	84	9.1	147,139,682	17,215,780	0	0	0	0
64	Mpigi DLG	60.5	60.5	49,500,000	35,700,000	97	40	377,819,000	193,430,250	0	0	0	0
65	Mubende DLG	350	185	86,333,000	30,471,000	272.5	121.5	318,245,000	158,245,000	0	0	0	0
66	Mubende MC	113	113	55,714,000	55,714,000	75	75	127,621,757	106,830,190	12	12	234,750,000	90,710,498
67	Mukono DLG	471.17	0	141,345,000	0	96.17	91.8	411,608,000	325,149,000	0	0	0	0
68	Nakapiripirit DLG	61	61	74,000,000	42,340,000	1	8	128,798,000	42,860,918	0	0	0	0
69	Nakaseke DLG	410.8	205.4	258,313,415	56,333,500	94.8	53	159,768,385	131,398,678	0	0	0	0
70	Nakasongola DLG	371.1	150.2	94,784,090	18,153,000	47	32.5	362,885,000	213,421,000	0	0	0	0
71	Namisindwa DLG	103	0	104,968,000	0	61.6	47.1	61,663,000	102,061,049	0	0	0	0
72	Namutumba DLG	263.8	0	94,723,907	0	36.7	30.73	151,367,950	134,013,203	0	0	0	0
73	Nansana MC	96.9	96.9	194,807,100	175,250,000	64.4	48.9	703,258,600	475,588,000	0	0	0	0

74	Napak DLG	28.2	13.2	39,150,000	18,370,800	9	7	24,004,000	18,582,000	0	0	0	0
75	Nebbi MC	162.2	161.4	147,458,648	143,430,859	19.4	11.4	69,360,000	34,420,485	5.2	3.2	64,212,870	33,720,468
76	Ngora DLG	168	115.9	190,000,000	94,205,000	50.2	46	31,400,000	30,103,700	0.6	0	15,367,000	0
77	Njeru MC	148.6	102.6	167,240,000	156,496,313	0	0	0	0	41	31.6	453,529,855	264,080,658
78	Ntoroko DLG	39	33	46,700,000	19,513,000	15	0	23,391,000	0	2.5	3.5	110,000,000	78,166,000
79	Ntungamo MC	31	31	55,520,000	53,080,000	27	34	135,000,000	209,546,000	1	0	183,000,000	7,500,000
80	Otuke DLG	150	0	101,033,000	0	28.5	28.5	55,321,000	54,520,000	2	1.2	56,367,000	8,870,000
81	Oyam DLG	0	0	0	0	83.75	14.95	312,280,000	122,906,000	0	0	0	0
82	Oyam DLG	0	0	0	0	83.75	14.95	312,280,000	122,906,000	0	0	0	0
83	Pakwach DLG	268	22	84,135,524	11,164,179	26	22	130,200,000	108,759,076	0	0	0	0
84	Pallisa DLG	230	145.5	106,855,420	39,440,000	10.5	8.5	132,478,960	59,721,000	0	0	0	0
85	Rubanda DLG	60	51.7	49,820,000	38,914,400	72.8	10.7	140,852,689	26,592,512	0	0	0	0
86	Rubirizi DLG	128	35	48,802,000	14,800,000	36	31.6	160,000,000	104,417,602	0	0	0	
87	Rukiga DLG	0	0	0	0	75	75	81,000,000	81,000,000	5	5	36,000,000	36,000,000
88	Rukungiri DLG	100	25.9	136,598,000	39,874,738	183	28.2	186,208,820	119,761,098	0	0	0	0
89	Rwampara DLG	60	0	70,500,000	0	26	26	86,000,000	80,249,000	0	0	0	0
90	Sembabule DLG	0	0	0	0	86.64	41.25	380,790,000	150,000,000	0	0	0	0
91	Serere DLG	379.21	240.1	173,643,000	70,540,000	0	0	0	0	14.7	19.5	65,368,000	62,217,500
92	Sironko DLG	242	242	129,511,602	66,204,000	52	37	78,000,000	44,033,000	14	14	205,795,000	93,321,000
93	Soroti DLG	168.2	168.2	123,000,000	77,499,880	38.1	25.5	104,000,000	70,289,400	10.2	0	82,000,000	0
94	Tororo DLG	529	535.3	215,122,000	72,662,000	128.7	123.1	183,692,000	175,419,370	114	0	170,000,000	0
95	Tororo MC	72.6	48.4	172,000,000	92,400,000	28	30.65	82,000,000	68,221,141	11.2	18.2	168,000,000	114,378,000
96	Zombo DLG	288	58	172,300,000	34,924,053	26	19	76,000,000	56,068,841	2	2	21,113,990	21,113,990
	Total	**16,067**	**7,385**	**8,494,132,458**	**4,089,157,242**	**6,720**	**4,924**	**15,394,408,459**	**10,306,553,352**	**845**	**378**	**8,675,569,761**	**4,376,557,279**

Appendix 15a: Public Corporations and State Enterprises that were supposed to be consolidated

S/N	Name of Entity	Status
1.	Bank of Uganda	Consolidated
2.	Electricity Regulatory Authority	Consolidated
3.	Enterprise Uganda	Consolidated
4.	Insurance Regulatory Authority of Uganda	Consolidated
5.	National Enterprises Corporation	Consolidated
6.	National Drug Authority	Consolidated
7.	National Water & Sewerage Corporation	Consolidated
8.	Uganda Civil Aviation Authority	Consolidated
9.	Uganda Communications Commission	Consolidated
10.	Uganda Development Corporation	Consolidated
11.	Uganda Printing and Publishing Corporation	Consolidated
12.	Uganda Railways Corporation	Consolidated
13.	Uganda Wildlife Authority	Consolidated
14.	Uganda Wildlife Conservation Education Centre	Consolidated
15.	Kiira Motors Corporation Limited	Consolidated
16.	Mandela Stadium Limited	Consolidated
17.	The Micro Finance Support Centre Ltd	Consolidated
18.	Post Bank Uganda Limited	Consolidated
19.	Pride Micro Finance Limited	Consolidated
20.	Uganda Post Limited	Consolidated
21.	Uganda Broadcasting Corporation Limited	Consolidated
22.	Uganda Electricity Distribution Company Limited	Consolidated
23.	Uganda Electricity Generation Company Limited	Consolidated
24.	Uganda Electricity Transmission Company Limited	Consolidated
25.	Uganda National Airlines Company Limited	Consolidated
26.	Uganda National Oil Company Limited	Consolidated
27.	Uganda Property Holdings Limited	Consolidated
28.	Uganda Seeds Limited	Consolidated
29.	Kilembe Mines Limited	Consolidated
30.	New Vision Printing & Publishing Company Limited	Consolidated
31.	National Housing & Construction Company Limited	Consolidated
32.	Housing Finance Bank Ltd	Consolidated
33.	Deposit Protection Fund Uganda	Consolidated
34.	Uganda Development Bank Limited	Consolidated
35.	Nakivubo War Memorial Stadium	Did not submit
36.	Uganda Air Cargo Corporation	Did not submit
37.	Dairy Corporation Limited	Did not submit

S/N	Name of Entity	Status
38.	Uganda Crane Industries Limited	Did not submit
39.	Uganda Livestock Industries Limited	Did not submit
40.	Uganda Refinery Holding Company Limited	Did not submit
41.	Production Enterprises Corporations Limited	Did not submit
42.	Uganda Fisheries Enterprises Limited	Did not submit
43.	Kampala Industrial and business park Ltd	Did not submit
44.	Science and Technology Equipment Production (unit) Ltd	Did not submit
45.	UGMA Engineering Corporation Limited	Did not submit
46.	Housing Finance Investments	Did not submit
47.	Uganda Energy Credit Capitalization Company Limited (UECCCL)	Not Consolidated and not disclosed
48.	Nile Hotel International Limited	Not Consolidated and not disclosed
49.	Uganda Hotel and Tourism Training Institute	Not Consolidated and not disclosed
50.	National Pipeline Company (NPC)	Not Consolidated and not disclosed

ANNEXURES

ANNEXURE I: SUMMARY OF ENTITY FINDINGS AND OPINIONS FOR MDAs, COMMISSIONS, STATUTORY CORPORATIONS AND STATE ENTERPRISES AND PROJECTS

No.	SECTOR AND ENTITY	SUMMARY OF KEY FINDINGS
	AGRICULTURE SECTOR	
1.	The Agriculture Cluster Development Project (ACDP) Opinion Unqualified	• Out of the approved budget of UGX.196.099Bn expected from the Donors, UGX.145.885Bn was available for spending, resulting in a shortfall of UGX.50.214Bn (26%). Further, of the expected UGX.0.700Bn GOU co-funding, UGX. 0.699Bn was warranted, resulting in a shortfall of UGX.0.001Bn representing 99.8% performance. • Out of the total available funds of UGX.145.885Bn, UGX. 84.520Bn was spent resulting in an unspent balance of UGX.61.365Bn representing an absorption level of 57.93%. This affected implementation of activities. • I sampled four (4) activities worth UGX 63.061Bn and assessed the extent to which these had been implemented. Out of the 4 activities; two (2) activities were partially implemented, while 2 activities were not implemented. This affected service delivery. • I noted a number of shortcomings from my inspections such as delayed works, incomplete structures, un-utilised agro processing facilities all of which affected service delivery. • I noted avoidable expenditure on the procurement of M-Cash Uganda Limited as an E-Voucher management agency at a cost of UGX.6.8Bn. In addition, there was delayed operationalization of the M-cash electronic payment platform for eight (8) months due to the failure by MAAIF to integrate this financial inclusion system to the NITA's payment gateway in time leading to farmers and agro dealers failure to transact during this period. • There was failure to refund unutilized balances to farmers, Agro-dealers and MAAIF by UBA to the tune UGX.8.8Bn on termination of their contract.
2.	Seed Certification Project Opinion Unqualified	• The Project had six objectives which were supposed to have been fully achieved by 30th June 2022. As of this date, one (1) had been fully implemented, three (3) were partially implemented and two (2) had not been implemented at all. • At the beginning of the year under audit (1st July 2021), the Project had a balance of UGX.938,133,721 from the previous financial year 2020-2021 which was not utilized during the year. By 30th June 2022, all the funds were still on the Project account.
3.	Agriculture Vector Control Project (AVCP) Opinion Unqualified	• The Project planned to receive UGX.3.5Bn GOU counterpart funding, out of which UGX.3.44Bn was warranted, resulting in a shortfall of UGX0.06Bn (1.7%). Further, out of the budgeted UGX.39.8Bn donor funding, UGX.39.71Bn was availed for spending, resulting in a shortfall of UGX 0.09Bn (0.2%).

		• Out of the total available funds for the financial year of UGX.39.71Bn, only UGX.38.33Bn was spent by the entity resulting in an unspent balance of UGX.1.38Bn representing an absorption level of 97%. Out of the 64 activities worth UGX.39.8Bn sampled; 28 activities representing 44% were fully implemented, 29 activities representing 45% were partially implemented while 7 activities representing 11% were not implemented. • Physical inspection of three (3) construction projects worth UGX.22Bn namely; Irrigation Scheme in Acomai, National Metrology Laboratory at UNBS and holding grounds at Gwot Apwoyo Zonal Animal Disease control center revealed that works were behind schedule which will result in delayed service delivery to the citizens. • There was only one Multi-sectoral Steering committee sitting during the year out of the mandatory two (2) which is a major internal control weakness and exposes the Project to performance challenges such as delays in project implementation and unsatisfactory quality of works among others
4.	National Agricultural Research Organization (NARO) Opinion Unqualified	• NARO budgeted to collect NTR of UGX.2.834Bn during the year, however, UGX.3.097Bn was collected, representing a performance of 109% which was partly attributed to the low NTR projections set for the entity by MoFPED • Out of the approved budget of UGX.110.608Bn, UGX.109.089Bn was warranted resulting in a shortfall of UGX1.519Bn (1.37%) which affected the implementation of activities. All the warrants given to the entity were utilized. • I assessed the implementation of a sample of seven (7) outputs with a total of sixteen (16) activities worth UGX.50.655Bn. Out of the seven out-puts 3 outputs with four (4) activities and expenditure worth UGX.2.158Bn were fully implemented and 4 outputs with twelve (12) activities worth UGX.48.497Bn were partially implemented. • Funds to the tune of UGX.0.093Bn were mischarged from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I undertook field inspections and noted that a number of project works were behind schedule which resulted into delayed service delivery. • 90 pieces of land owned by the entity were not recorded in the fixed assets register on IFMS while 17 pieces had encumbrances. In addition, 14 pieces lacked titles, while titles for 4 pieces had not been transferred from the previous owners. Similarly, titles for 15 pieces of land had not been transferred in joint custody of ULC. • The entity had unsettled domestic arrears as at 30th June 2022 amounting to UGX 2.58Bn. • Out of the approved staff structure of 995 staff, only 836 positions were filled leaving a balance of 159 (16%) vacant. • Review of management of IT investments revealed several shortcomings i.e. lack of specific structures that steer and oversee ICT implementation, inadequately filled ICT staff establishment (58%), limited awareness of the approved ICT policy and guidelines by staff and lack of documented systematic business continuity or disaster recovery testing, reporting and maintenance procedures.

5.	Coordinating Office for Control of Trypanosomiasis in Uganda (COCTU) Opinion Unqualified	• Out of the approved budget of UGX. 2.4Bn, UGX. 2.1Bn was warranted resulting in a shortfall of UGX 0.3Bn (11.6%). • I sampled out twelve out-puts and noted that eleven (11) outputs worth UGX.1.5Bn were fully implemented while one (1) output worth 0.6Bn was partially implemented. • The entity received off-budget financing to a tune of UGX.0.513Bn which was never declared to the PSST. • Out of the approved staff structure of 37 staff, only 19 positions were filled leaving a balance of 18 (49%) vacant.
6.	Resilience Project (RPLRP) Opinion Unqualified	• Out of the budgeted UGX.23.9Bn for donor project activities, only UGX.14Bn was available, resulting in a shortfall of UGX.9.8Bn representing 41% of the budget. Further, only UGX.0.65Bn was warranted out of the UGX.1.0Bn GOU co-funding resulting in a shortfall of UGX.0.35Bn representing 35% of the approved budget. • Out of the total available funds of UGX.14.03Bn; UGX.13.22Bn was spent by the Project resulting in an unspent balance of UGX0.81Bn representing an absorption level of 94.2%. • Of the 4 quantified activities worth UGX.12.4Bn assessed; 2 activities representing 50% were fully implemented while 2 activities representing 50% were partially implemented. • I noted inadequacies in service delivery in form of delayed works and incomplete livestock marketing and production infrastructure i.e. handover for construction of four (4) sites was delayed between 8 to 16 months and two (2) sites were yet to be completed despite project closure, hence requiring GOU funding interventions. • Out of the total expected loan amount of USD 40Mn only USD. 36.297Mn was received during the project life cycle resulting in un-disbursed loan proceeds of USD 3.703Mn (UGX.13.9Bn) representing 9.3% of the loan amount and as a result Government of Uganda will have to pay back the loan in full including funds that were never disbursed for Project activities which reflects a loss to Government.
7.	Uganda Multi-Sectoral Food Security and Nutrition Project (UMFSNP) – Grant NO. P149286	• The approved project budget for donor funds was UGX.24.23Bn however UGX.25.13Bn was availed for spending, resulting in an excess of UGX 0.908Bn (3.7%). On the other hand, the approved GOU budget was 0.5Bn out of which UGX.0.398Bn was warranted, resulting in a shortfall of UGX0.102Bn which was 20% of the approved budget. • Out of the total funds available from both donors and Gou of UGX 25.52Bn, UGX 8.897 was absorbed resulting in unspent balances of UGX 16.62Bn. This represents absorption of only 35% of the funds available. • I observed that out of the 34 activities worth UGX.5.327Bn assessed; 14 activities- 41% were fully implemented, 15 activities-44% were partially implemented, while 5 activities-15% were not implemented. • I noted shortcomings that affect service delivery for the citizens such as; failure to maintain demonstration gardens, delayed approval of District Nutrition Action plans, delayed release of funds to Districts, and unutilised funds at the Districts.

		• There was no meeting held by the inter-ministerial Project Steering Committee during the year.
8.	National Animal Genetic Resources Centre & Data Bank (NAGRIC & DB) <u>Opinion</u> Unqualified	• Out of the budgeted NTR of UGX.1.56Bn, UGX.2.629Bn was realised, representing a performance of 169%. This was attributed to the entity NTR budget projections way below probable revenue sources. • Out of the budgeted UGX.73.362Bn, UGX.72.762Bn was warranted, resulting in a shortfall of UGX0.6Bn representing 0.82% of the budget. The Shortfall affected implementation of activities • I reviewed the implementation of a sample of two outputs with a total of four (4) activities worth UGX.7.5Bn. I noted that; 1 output with one (1) activity and expenditure worth UGX.2Bn was fully implemented while 1 output with 3 activities worth UGX.5.5Bn was partially implemented. As a result, the entity did not finalise establishment of fish feed plant and animal feed production, processing, packaging and storage facilities on Centre farms. • UGX.0.470Bn was irregularly diverted from the activities on which it was budgeted for and spent on other activities without seeking and obtaining the necessary approvals. • I noted challenges in regard to service delivery mainly resulting from delays and non-performing contracts. • I noted shortcomings in the management of land owned by the entity which included encumbrances on 5 pieces of land, lack of land titles for all 16 entity pieces of land, failure to transfer all the sixteen (16) land titles into the name and custody of the Uganda Land Commission, unutilized pieces of land. • The entity had outstanding arrears to the tune of UGX.1.31Bn which was an increment of 4.5% from the prior year arrears balance of UGX.1.25Bn • There was loss of 920 cattle, 521 goats and 1 pig estimated at UGX.0.33Bn through death and theft leading to loss of government biological assets and thus Government revenues. • I observed that letters of credit opened as far back as 2018/2019 had not performed which continued to affect progress of works and service delivery. • I noted that the entity management was not adhering to the approved staff structure during recruitment. Some of the positions were over filled while others were under-filled. In addition, 17 staff had been in acting positions for more than six months which was irregular. • I noted shortcomings in the management of IT Investments i.e. delays to implement the procured IT system, failure to dispose IT hardware equipment, inadequate Internal Audit review of the ICT systems that produce financial statements, lack of an approved IT risk management framework/policy and lack of a business continuity plan. • Withholding tax to the tune of UGX.0.33Bn from payments worth UGX.6.25Bn was not recovered from service providers.

9.	National Oil Palm Project (NOPP) <u>Opinion</u> Unqualified	• Out of the Donor budget of UGX.39.29Bn, only UGX.21.15Bn was availed for spending resulting in a shortfall of UGX.18.14Bn representing 46%. Further, of the UGX.4.897Bn GOU co-funding, only UGX.4.647Bn was warranted resulting in a shortfall of UGX.0.25Bn representing 5.1%. • Out of the total available funds for the year of UGX.26.659Bn, only UGX.15.366Bn was spent by the entity resulting in an unspent balance of UGX.11.293Bn representing an absorption level of 58.5%. As a result of under-absorption, a number of planned activities were not implemented by the project which affected service delivery. • Out of the sampled 88 activities worth UGX.9.67Bn assessed; 15 activities representing 17% were fully implemented, 22 activities representing 25% were partially implemented, while 51 activities representing 58% were not implemented. Failure to fully implement activities affects service delivery. • I noted inadequacies in service delivery in form of delayed review of consultancy reports to enable approval of new hubs for oil palm growing by IFAD and delayed hand over of Land for the nucleus estates for oil palm development due to delays in transferring of titles for the acquired land. • I noted non-remittance of loan recoveries to the UCF worth UGX.18.4Bn thus delaying implementation of critical government programs. Further, there was non-utilization of reflows to a tune of UGX.29.1bn to fund the National Oil Palm Project (NOPP) in contravention of the tripartite agreement thus denying the citizens benefits accruing.
10.	Cotton Development Organization (CDO) <u>Opinion</u> Unqualified	• Out of the budgeted NTR of UGX. 4.62Bn, only UGX. 2.15Bn was collected, representing a performance of 46.5% of the target. • Out of the total receipts for the financial year of UGX. 13.017Bn, only UGX. 13.017Bn was spent by the entity resulting in an unspent balance of UGX. 0.024Bn representing absorption level of 99.99%. • I noted that of the three (3) sampled quantified outputs with a total of four (4) activities worth UGX 1.63Bn; 1 output with one (1) activity and expenditure worth UGX.0.199Bn was fully implemented and 2 outputs with three (3) activities worth UGX.1.43Bn were partially implemented. Out of the 3 activities, the entity fully implemented 1 activity while 2 activities were partially implemented. • Funds to the tune of UGX. 28.4 Million were mischarged from the activities on which they were budgeted to other activities without seeking and obtaining the necessary approvals. • Out of the approved staff structure of 47 staff, only 37 positions were filled leaving a balance of 10 (21.3%) vacant. Key among the vacant posts is Classifier and Agronomy Officers. • Review of management of IT investments revealed several shortcomings; such as lack of specific structures that steer and oversee ICT implementation and lack of an IT structure • One (1) piece of land out of the entity total of 3 pieces was not being utilised by the entity.
11.	Dairy Development Authority (DDA). <u>Opinion</u>	• Out of the budgeted NTR of UGX.0.56Bn, only UGX.0.45Bn was collected, representing a performance of 79.7% of the target.

	Unqualified	- Out of the approved budget of UGX.11.6Bn, UGX.11.4Bn was warranted resulting in a shortfall of UGX 0.2Bn (1.7%). - I sampled one out-put that was quantified with a total of two (2) activities worth UGX 0.17Bn and noted that this output was not implemented at all. - Funds to the tune of UGX.0.031Bn were mischarged from the activities on which they were budgeted to other activities without seeking and obtaining the necessary approvals. - The entity had outstanding domestic arrears to a tune of 283Mn, of which, UGX.186Mn were incurred during the year under review. - Out of the 55 pieces of land measuring approximately 20.887 hectares owned by the Authority, 35 pieces of DDA land did not have land titles while 20 titled pieces of land had not yet been transferred in the names of Uganda Land Commission. I further noted that 1 piece of land was not recorded in the entity's land register and the IFMS fixed assets module, while records for 2 pieces of land were scanty. 30 pieces of land were also not utilized by the entity at the time of Audit. - Out of the approved one hundred and thirty-nine (139) posts only eighty-six (86) are filled and fifty-three (53) were vacant representing 38% understaffing. - Review of management of IT investments revealed several shortcomings for instance; 5 IT Systems worth UGX.226Mn had no clearance from NITA-U and MoFPED, IT assets and systems procured at a cost of UGX.218.9Mn were not planned for, one IT system was not being utilised among others. - I noted that DDA was not levying and collecting Cess on Milk or Milk products and neither did the Authority receive due compensation from the Ministry of Finance.
12.	National Agricultural Advisory Services (NAADS). <u>Opinion</u> Unqualified	- NAADS budgeted to collect NTR of UGX. 0.06Bn during the year however; UGX. 0.03Bn was collected, representing a performance of 50%. This was partly attributed to the unrealistic NTR projections due to the non-participation of the entity during the estimation of NTR by MoFPED. - Out of the budget of UGX.104.49Bn, UGX. 88.73Bn was warranted resulting in a short fall of UGX.1.519Bn (15.1%). Out of the total warrants of 88.73Bn, UGX 88.45Bn was absorbed representing an absorption level of 99.7%. - Funds to the tune of UGX.0.173Bn were mischarged from the activities on which they were budgeted to other activities without seeking and obtaining the necessary approvals. - Field inspections and document review revealed several shortcomings in service delivery in form of delays for construction works and utilisation of completed facilities. - The entity had unsettled domestic arrears as at 30th June 2022 amounting to UGX. 14.353Bn. In addition, the entity had Letters of Credit worth UGX.21.2Bn which did not perform for more than two years. - I noted challenges in the progress of the Atyak sugarcane production project in Northern Uganda due to a number of challenges such as adverse weather and field conditions at the Atiak Site, shortage of seed cane within the

		proximity of the sites, fire outbreaks destroying substantial acreage of the plantation and the decision to temporarily halt the operations in a bid to mechanise the process. • Out of the approved staff structure of 56 staff, only 50 positions were filled leaving a balance of 6 (10.7%) vacant. Key among the vacant posts is Manager Finance and Administration and Zonal Agricultural Development Officer. • Review of management of IT investments revealed several shortcomings such as lack of specific structures that steer and oversee ICT implementation, delayed implementation of 1 IT project, un integrated Agri-monitoring Monitoring System (NAMS) that is not interfaced with other systems, lack of clearance for procurement of 12 IT systems/equipment worth UGX 0.146Bn by NITA-U and lack of specific structures that steer and oversee ICT implementation. In addition, NAADS lacked an approved IT staff structure in place despite ICT prioritisation in NDP III.
13.	Ministry of Agriculture, Animal, Industry and Fisheries (MAAIF). <u>Opinion</u> Unqualified	• Out of the approved budget of UGX.254.12Bn, UGX.201.35Bn was warranted, resulting in a shortfall of UGX.52.66Bn representing a 21% of the budget. • Out of the total receipts for the financial year of UGX.201.35Bn, only UGX.196.54Bn was spent by the entity resulting in an unspent balance of UGX.4.81Bn representing an absorption level of 97.6%. As a result of failure to utilize warrants; Pension and gratuity arrears continued to accumulate, 0.29Mn cashew Nut seedlings were not procured and Staff houses at FTI and BAC were not renovated. • I noted that out of the 30 outputs sampled with a total of 83 activities worth UGX.55.7Bn; 18 outputs with 49 activities and expenditure worth UGX.23.1Bn were fully implemented; 10 outputs with 32 activities worth UGX.31.9Bn were partially implemented that is; 20 activities were fully implemented, 11 activities were partially implemented while 1 activity remained unimplemented and 2 outputs with 2 activities worth 0.7Bn were not implemented at all. • UGX.1.36Bn was irregularly diverted from the activities on which it was budgeted and spent on other activities without seeking and obtaining the necessary approval. • There was inadequate delivery of services to the citizens as highlighted by delays in construction of infrastructure projects (Dams, valley tanks, irrigation schemes), delayed delivery of vaccines and tractors, delayed distribution of tractors and failure to utilise well drilling rigs. • I noted shortcomings in the management of Public Land for instance; failure to record land pieces in the assets register and GFMIS fixed asset module, encumbrances on 27 pieces of land through encroachment, lack of land titles for 59 pieces of land, non-quantification of planned land for acquisition, non-involvement of ULC in land acquisition, failure to transfer 4 land titles into the name and custody of the ULC, unutilised pieces of land, lack of land lease register and Irregular allocation of Land by District Land Boards. • The entity had outstanding arrears to the tune of UGX.11.46Bn which was an increment of 4.% from the prior year arrears balance of UGX.11.03Bn.

		• I noted loss of inventory worth UGX.2.36Bn due to a fire outbreak in stores of 34 items out of the 62 items kept in the stores. • The Ministry spent UGX.0.233Bn on PDM activities which was not provided for in the approved work plan. Further, as a result of failure to fund PDM, a number of activities necessary before the full roll out to ensure that the Pillar objectives are achieved were not undertaken. • Review of the performance of the Agriculture extension function revealed Lack of Performance Indicators to measure the performance of the extension workers in line with the PDM modality and inadequate extension workers; 57% gaps of the required 9,275 • I noted shortcomings in the management of IT Investments for instance procurements of IT systems without NITA-U clearance, failure to optimally use acquired IT systems, non-recording of IT systems and IT hardware in the assets register and in the format prescribed by the Accountant General, failure to dispose of IT equipment recommended for disposal, failure to undertake system upgrades, lack of specific structures that steer and oversee ICT implementation, inadequate IT staff structure, failure to follow-up issues raised regarding ICT weaknesses, lack of an IT risk management framework/policy and lack of a business continuity plan. • An assessment of the management of Court Awards and Compensations revealed failure to adequately budget for liabilities arising, lack of criteria for their management, delayed settlement for outstanding cases and failure to develop and maintain a detailed register of cases. • Review of the Ministry's staff establishment revealed that out of 945 approved positions, only 652 were filled and (293 were still vacant representing 31% staffing gap. Notably, it was observed that the core departments of crop resources, animal and Fisheries directorates are significantly affected. • Management of Pension and Gratuity at the Ministry revealed several anomalies i.e. Failure to budget for Pension arrears, delayed access of pensioners to the pension Payroll, Unreconciled Pension payroll register and pension interface file and Payment of unverified Residual Pension Arrears. • Review of the "Development of a Sustainable Cashew Nut Value Chain Project" revealed incomplete Project approvals thus irregular implementation by the ministry and non-alignment to the Public Investment Plan. As a result, there was noted failure to achieve the Project Mandate despite availability of Funds. • Shortcomings were noted in the Asset Management Structure at the Ministry for instance poor state of stores.
14.	Uganda Coffee Development Authority (UCDA). Opinion Unqualified	• The entity budgeted to collect NTR of UGX.22.43Bn during the year under review but realized UGX.31.64Bn representing a performance of 141% of the target. • I noted that the Authority had a budget of UGX.87.3Bn, out of which UGX.86.07Bn was warranted, resulting in a shortfall of UGX 1.23Bn. Out of the total warrants of UGX. 86.07Bn received, only UGX.76.79Bn was spent by the entity resulting in an unspent balance of UGX.9.28Bn representing an absorption level of 89%.

		• A review of four (4) sampled quantified outputs with a total of forty-three (43) activities worth UGX. 52.8Bn revealed that all the four (04) outputs were partially implemented. • Funds amounting to UGX 0.183Bn was irregularly diverted from the activities on which it was budgeted for and spent on other activities without seeking and obtaining the necessary approvals. • The Authority received off-budget financing worth UGX.3.3Bn which was never declared to the PS/ST. • Field inspections and document review revealed several short comings in service delivery such as delayed installation of wet mills, failure to establish demonstration gardens despite spending funds among others. • The entity had unsettled domestic arrears as at 30th June 2022 amounting to UGX 15.9Bn. • Out of the approved staff structure of 224 staff, only 138 (61%) positions were filled leaving 86 (39%) positions vacant. Among the vacant posts are key positions of managers. • I noted shortcomings in the management of ICT systems such as failure to integrate systems and absence of an approved ICT structure and an IT business continuity plan.
	JUSTICE, LAW AND ORDER SECTOR	
1.	The Industrial Court of Uganda Opinion Unqualified	• The Court did not have a strategic plan to facilitate preparation of annual work plans and the achievement of the NDP objectives. • I noted that all the three (03) quantified activities assessed worth UGX.2.095Bn were partially implemented. • A review of the financial statements revealed that the Court reported under the statement of financial position payables amounting to UGX. 247,000,000. These related to unpaid sundry creditors in the period under review. • There are conflicting provisions between the Employment Act, 2006 and the Labour Disputes (Arbitration and Settlement) Act, 2006 on period taken by labour officers to handle labour disputes, the qualifications of both the Labour officers and the Court panellists and their role as quasi-judicial officers were not standardised. • I also noted delayed implementation of the Court structure resulting into increased case backlogs from 2,524 to 2,722 cases (8%) as at 30th June 2022.
2.	Directorate of Government Analytical Laboratory (DGAL). Opinion Unqualified	• Out of the total receipts for the financial year of UGX.25.83Bn, only UGX.19.31Bn was spent by the entity resulting in an unspent balance of UGX.6.52Bn representing an absorption level of 75%. As a result, I noted that out of the ten (10) quantified outputs worth UGX.12.51Bn assessed; three (3) outputs were fully implemented, while seven (7) outputs were partially implemented. • I assessed the delivery of services from implemented activities and noted that whereas DGAL acquired a Laboratory Information Management System in the financial year 2020/2021 at a cost of €58,146.60 (equivalent to UGX.250,000,000), the system was not fully utilised.

		• I assessed the implementation of the case backlog reduction strategy by DGAL and noted that despite the goal of clearing all backlog cases by June 2021, the backlog had only reduced by 63.97%, implying that the zero-backlog goal was not achieved. I also noted that despite various efforts, the case turnaround time has remained stagnant at 30 days for over four financial years with no improvement. • I observed that DGAL prioritises new cases over older cases. As a result, backlog cases which have remained unresolved for five (5) years or longer constitute 50% of all the backlog cases of DGAL. • Although the Directorate spent UGX.1.05Bn on the operations of the regional laboratories, I noted that the regional laboratories are not sufficiently equipped for forensic analysis and are currently used by Scene of Crime Officers as temporary collection points for samples and exhibits before transferring them to the main laboratory for analysis. • I reviewed the management of public land and noted that the entity did not maintain a land register or capture the owned land in the assets register in the Government's Integrated Financial Management System (IFMS). • I reviewed the management of IT systems and noted that DGAL had a number of IT Governance shortfalls. For instance, there were no structures to oversee ICT implementation, no approved IT staff structure, internal audit did not review ICT systems, and the entity did not have an approved IT risk management framework.
3.	Justice Law and Order Sector (JLOS-SWAP). <u>Opinion</u> Unqualified	• Out of the total available funds for the financial year of UGX.106.3Bn, only UGX.76Bn was spent by the Project resulting in an unspent balance of UGX.30.3Bn, representing an absorption level of 71.5%. As a result, I noted that of the 370 activities, ninety (96) were fully implemented, 219 were partially implemented, and 73 were not implemented. • I noted that NIRA issued birth certificates to 42,216 children born to refugees out of the planned 50,000. Whereas NIRA had planned to cover six (6) refugee sites, the issuance was only done in three (3) refugee sites. This affected service delivery. • Whereas a sum of UGX.86,754,847 was spent on reviewing stalled cases to enable the affected citizens to obtain national IDs, only 2,498 cases were reviewed out of the planned 7,122 cases. • The Judicial Service Commission procured furniture and a motorcycle worth UGX.35,842,000 for use by the regional offices of Arua and Mbarara. At the time of audit these offices had not been operationalised, implying that the equipment was not used for the intended purpose. • I reviewed the clearance of case backlog by the Judiciary using the JLOS SWAP funding and observed that 2,632 cases which had been part of the backlog were handled to completion and 6,035 cases remain as part of the backlog. • The Judiciary spent a sum of UGX.160,000,000 on installing a wide and local area network in court stations, and only 2 out of the 20 court stations were covered. The failure to establish networks may negatively impact the Electronic Court Case Management Information System (ECCMIS) rollout.

		• There were delays by the Office of the Directorate of Public Prosecution to complete the construction of four (4) Resident State Attorneys' offices in Kibuku, Sironko, Kyegegwa and Bulambuli, which delayed the deconcentration of services by the ODPP. • Uganda Police faced the following service delivery issues, whereas UPF planned to conclude investigations for 3000 cases backlog and a total budget of UGX.750,000,000 was allocated, UPF only received UGX.318,000,000. I was not availed with the report showing the actual number of cases investigated and concluded using the available funds. • Whereas UPF planned to investigate and complete 7000 cases of sexual gender-based violence crimes using a budget of UGX.350,000,000, with 92% of the budgeted funds released only 10% of the planned cases were investigated. • The construction of the Bunyangabu Justice Centre by UPF, a project worth UGX.1.7Bn has experienced delays due to insufficient and delayed availability of funds. At the time of audit only UGX.920 Million had so far been released, implying that the project completion deadline of October 2022 could not be achieved. • I noted that the JLOS House construction project is experiencing funding shortfalls. The project, whose value is UGX.245Bn has only received funding worth UGX.31Bn, which is 12% of the estimated project cost. There is a risk that inadequate funding could affect the Project's timely completion. • The Law Development Centre, through the Legal Aid Clinic, offers Clinical Legal Education to Bar course students and provides legal aid services to indigent (needy) persons. The initiative faces challenges, including limited geographical spread, staffing shortfalls, funding challenges and incomplete or inaccurate data and information. • The Ministry of Justice undertook to construct the Soroti regional offices, and UGX.511.28 Mn was availed however, during the audit. The construction had not yet commenced. • I reviewed the call centre's operations at NCIC and noted that the call centre only offers daytime services, which may affect service to Ugandans in the diaspora. In addition, there is no budget provision in the JLOS SWAP project, and the call centre is operated by temporary staff, increasing the risk of service disruptions if they resign without notice. • Whereas the UHRC had planned to hold 200 regional tribunal hearings for human rights violations, and a sum of UGX.73,949,000 was spent, I observed that the tribunal only held 50 out of the 200 planned hearings. • During the Financial year, URSB planned to equip the innovation hub and national copyright resource centre. Project funds amounting to UGX.70,000,000 were released. However, only UGX.35,000,000 was spent on the acquisition of projectors and laptops for the purpose. By the time of audit, the hub had not yet been set up, and management explained that they were waiting to relocate to the newly constructed offices. • URSB planned to integrate the entities systems with other e-government platforms, such as the national identification database of NIRA and the Motor Vehicle register maintained by the Uganda Revenue Authority. Although UGX.260,000,000 was released for the purpose, the integration was not achieved resulting in the failure to attain the planned outcomes.

		• Under the JLOS SWAP project, MoLG planned to print 100,000 copies of the local council register and to undertake training of Local Council I, II, and III Courts in 30 Local Governments. Only 48,000 copies out of the 100,000 copies were printed, while training was only 53% (7,980) of the target number of training were conducted. • I noted a misalignment in the construction of prisons. Whereas the JLOS SWAP project provides funding for the construction of prison wards, there is no concurrent funding for the construction of staff quarters, even when prisons cannot operate without staff. • I noted cumulative and persistent underfunding of the project. Over a period of three (3) years, the total approved budget has been UGX.337Bn however, UGX.219Bn has been availed, resulting in a shortfall of UGX.118Bn. • I further noted that of the availed UGX.219Bn in the last three financial years, the entities have failed to absorb UGX.43Bn. Under absorption affects the timely delivery of services. • I noted that the project does not have a detailed risk assessment policy, risk-management guidelines and risk register as required under the Treasury Instructions. As a result, all project-specific risks may not be assessed in time, and robust risk management and mitigation measures implemented. In addition, risk management procedures may not be well coordinated and consistently applied across all of the JLOS SWAP implementing entities. • I noted delays in completing construction projects in eight (8) implementing entities. The Accounting Officers attributed the delays to late or partial release of funds, failure to complete procurement processes on time and disruptions due to the Covid pandemic in some cases.
4.	Justice Law and Order Sector (JLOS-SWAP). 2021 Opinion Unqualified	• Out of the budgeted revenue of UGX.127.64Bn for the financial year 2020/2021, only UGX.73.03Bn (57.2%) was released, resulting in a shortfall of UGX.54.60Bn (42.8%). • A comparison of the disbursement of JLOS SWAP funds to implementing entities and the actual expenditure revealed that out of the available sum of UGX. 123Bn, only UGX. 73Bn was spent, and Letters of Credit amounting to UGX.1.2Bn performed, resulting in an unspent balance of UGX.48.7Bn. • I reviewed the extent of quantification of outputs and activities by management and noted that all of the programme activities were quantified in the annual work plans. • I assessed the implementation of 507 outputs/activities for the Programme that were fully quantified worth UGX.74.267Bn for the year under audit. I noted the 165 outputs/activities worth UGX.17.327Bn were fully implemented. The entities implemented the activities (100%) within these outputs, 220 outputs/activities worth UGX. 37.945Bn were partially implemented, 122 outputs/activities worth UGX.18.9952Bn were not implemented at all. • During the financial year 2020/2021, the JLOS SWAP project provided funding amounting to UGX. 8,507,209,099 for constructing twenty-two (22) infrastructural development projects across the entire sector and country. A review of the project progress revealed that four (4) projects for which UGX. 2,570,000,000 was released during the year have experienced delays or stalled.

		• Despite the strategic goal of clearing all backlogs, various entities still report outstanding/pending cases of backlog, and in some instances, the backlog has increased rather than reduced. • The JLOS SWAP project depends on development partners to finance most of the budgeted activities. In the financial year 2020/2021, Development Partners directly contributed a total of UGX.16.5Bn. Of this, UGX.14.1Bn or 85% was contributed by the Embassy of Netherlands,1.69Bn by UNFPA, 0.52Bn by UNICEF, and 0.15Bn by DGF. Also, some donors contributed through budget support. For instance, EUR. 2,000,000 by Austria, EUR. 6,000,000 by European Union, EUR. 6,500,000 through Dutch support, which approximately totaled UGX. 55.8Bn.
5.	Office of the Director of Public Prosecutions (ODPP). <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.53.62Bn, only UGX.53.15Bn was spent by the entity resulting in an unspent balance of UGX.0.47Bn representing an absorption level of 99.12%. As a result, I noted that out of the six (6) quantified outputs worth UGX.32.127Bn assessed; two (2) outputs were fully implemented, three (3) outputs were partially implemented, while one (1) was not implemented. • I assessed the delivery of services from implemented activities and I noted that three field offices in Namutumba, Kazo and Ntoroko districts were not established as planned. I also observed that the PROCAMIS system was only extended to ten (10) out of the twelve (12) offices and only a small number of staff were utilizing the system. I noted delays to complete the construction of Soroti, Mbale and Mbarara regional offices. • I assessed the management of cases by ODPP and noted that there was an increase in cases of backlog by 35% in the year under audit. I also noted inconsistencies in the data kept on an outstanding number of cases. • I reviewed the management of public land and noted that the entity maintained a land register however it did not include the values of the land owned. ODPP's land in Kibuku and Kapchorwa was encumbered while the entity did not have land titles for 70 pieces of land. • I observed that ODPP had outstanding domestic arrears of UGX.1,250,916,876 as at 30th June 2022. The arrears have remained outstanding for over two (2) financial years. • I assessed the management of court awards and noted that there was inadequate budget provision made for court awards and hence a delayed settlement of court awards for concluded cases. • I reviewed the staffing structure of ODPP and noted that out of the approved staffing level of 1,486, only 602 positions were filled (40.5%) leaving a staffing gap of 884 positions (59.5%). • I reviewed the management of IT systems and noted that sixty-five (65) IT assets were recommended for disposal however, none of these assets had been disposed of, the Prosecution Case Management System (PROCAM) was decommissioned without following procedures for data protection, the entity did not have specific structures that steer and oversee ICT implementation, there was no approved IT risk management framework/policy and there was no business continuity plan for the entity.
6.	Uganda Human Rights Commission <u>Opinion</u>	• Out of the total receipts for the financial year of UGX.20.845Bn, UGX.20.239Bn was spent by the entity resulting in an unspent balance of UGX.0.455Bn representing an absorption level of 97.8%. As a result, I noted that of the

	Unqualified	thirteen (13) quantified outputs worth UGX.18.3Bn assessed; eight (8) outputs were fully implemented and five (5) outputs were partially implemented. • The Commission received off-budget financing totalling to UGX.1.15Bn from five (5) development partners during the year. • I noted significant delays in the investigation of cases hence affecting the disposal rate of human rights cases. • I carried out inspections of regional offices of Jinja and Mbarara and noted that in the last two years, only one (1) tribunal meeting was held in Jinja and none in Mbarara. • I reviewed the management of land and noted that all five (5) pieces of land owned by the entity were not recorded in the GFMIS fixed assets module, the entity did not have a land tiltle for one piece of land for Gulu regional office, titles for four (4) pieces of land had not been transferred into the custody of the Uganda Land Commission and one piece of land in Masaka (Old Kumbu, Masaka Municipality) measuring approximately 0.0620 hectares belonging to the Commission was not in use. • UHRC had outstanding domestic arrears of UGX.290,507,036 as at 30th June 2022 • I reviewed the management of ICT and noted that the Commission has failed to dispose off old IT items for 4 to 10 years. • The Commission had no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014.
7.	Uganda Law Reform Commission. Opinion Unqualified	• Out of the total receipts for the financial year of UGX.11.490Bn, only UGX.10.788Bn was spent by the entity resulting in an unspent balance of UGX.0.934Bn representing an absorption level of 92%. As a result, I noted that of the six (6) quantified outputs worth UGX.7.382Bn assessed; six(6) outputs were partially implemented. • I assessed the delivery of services from implemented activities and noted delays in the development of a number of publications which included lunyole versions of the constitution, development of the Braille version of the Local Government Act, translation of the Local Council Courts Act (LCCA) into five (5) languages, development and printing of the 7th revised edition of the principal laws, Development of the Electronic Document Management System for the management of digitised records of the entity. • I observed that ULRC had outstanding domestic arrears of UGX.9.86Bn as at 30th June 2022. Included in this debt is UGX.9,49Bn in respect to unremitted contributions, interest and a 10% penalty arising from the failure by the Law Reform Commission to remit the ten per cent (10%) employer's contributions to NSSF for the period from 1st July 1996 to 30th June 2022 as required by the NSSF Act. • I reviewed the management of IT investments and noted that staff and system users were not consulted when developing specifications or deciding on the kind of system to acquire. I noted that two (2) IT systems worth UGX.0.20Bn were acquired outside the planned procurements, and they were delays in the development of the Electronic Document Management System.

8.	Judicial Service Commission (JSC) Opinion Unqualified	• Out of the total receipts for the financial year of UGX.11.429Bn, only UGX.10.788Bn was spent by the Judicial Service Commission, resulting in an unspent balance of UGX.0.640Bn representing an absorption level of 94.6%%. As a result, I noted that of the ten (10) quantified outputs worth UGX.10.815Bn assessed; three (3) outputs were fully implemented, and seven (7) outputs were partially implemented. • I assessed the delivery of services from implemented activities and noted that the Mbarara, Arua and Masaka offices had not been occupied for over two (2) years, while the Moroto regional office operated for less than a year till it ceased operations in 2021. Judicial Service Commission continued to meet the expenses for water, electricity and imprest for the regional offices even when they were not operational. I also noted that the staffing structure does not provide for staff for the regional offices. • I reviewed the operations of the Commission in regard to complaint and case management and noted delays in concluding complaints/cases lodged and non-utilisation of the case management system. • I observed that JSC had outstanding domestic arrears of UGX.138,219,093 as at 30th June 2022. The arrears have remained outstanding for over two (2) financial years. • I reviewed the staffing structure of JSC and noted that out of the approved staffing level of 143, only 97 positions were filled (68%), leaving a staffing gap of 42 positions (32%).
9.	Ministry of Justice and Constitutional Affairs. Opinion Unqualified	• Out of the total receipts for the financial year of UGX.164.83Bn, UGX.160.68Bn was spent by the entity resulting in an unspent balance of UGX.4.143Bn representing an absorption level of 97.49%. As a result, I noted that of the thirty-two (32) quantified outputs worth UGX.90.2Bn assessed; twelve (12) outputs were fully implemented, nineteen (19) outputs were partially implemented, while four (4) activities remained unimplemented. • I assessed the delivery of services from implemented activities and noted significant delays in the construction of the JLOS house. There were also substantial delays experienced in the review of agreements and limited supervision and approval of chambers of advocates. I also reviewed the ongoing compensation of war claimants and noted that there was limited funding for the compensation of war claimants and no clear criteria for payment of minors; hence a number of minors remained unpaid. • I reviewed the management of Land of MoJCA and observed that the ministry did not have land titles for four (4) pieces of land, and five (5) pieces of land in Mbale, Naguru, Moroto, Gulu, and Arua were not transferred into the custody of the Uganda Land Commission, two (2) pieces of land located at Old Mbale Road, Akisim Ward, Soroti municipality, measuring approximately 0.651 hectares (14.3%) valued at UGX. 1,100,000,000 were not utilised, and land located at Kamukuzi Mbarara City had encumbrances. • I observed that domestic arrears increased from UGX.381,258,505,803 in the previous year to UGX.531,295,341,706, representing an increase in arrears by 60.6%. • I noted underfunding of liabilities arising from court awards and compensations, which stood at UGX.377,429,099,424 as at the period ending 30th June 2021. I observed that only UGX.19,160,000,000 was

		budgeted for, and these cases continue to accrue interest which was standing at UGX.115,667,496,357 at the end of the Financial year 2021/22. • I noted gaps in the criteria for management of court awards and compensations, including lack of guidance to other MDAs and LGs on settlement of the awards, prioritisation of high-interest cases, estimation of contingent liabilities etc. • I reviewed 88 court awards worth UGX.227,100,829,847 and noted that 44 cases with a total debt of UGX.208,996,489,066 have remained outstanding for more than ten years. Of these, 24 cases are accumulating interest at an average annual rate of 7%. • I noted the ministry lacked a comprehensive and accurate record of all cases. • I noted that out of the approved staffing level of 421, only 345 positions were filled (82%), leaving a staffing gap of 76 positions (18%). • I reviewed the management of IT systems and noted that the entity doesnot record the IT systems in the assets register. There were limited upgrades of IT systems and I noted a failure to operationalise interfaces for systems integration, delayed disposal of IT assets and limited utilisation of systems.
10.	The Directorate of Citizenship and Immigration Control. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.101.30Bn, UGX.99.0Bn was spent by the entity resulting in an unspent balance of UGX.1.4Bn representing an absorption level of 98.6%. As a result, I noted that out of the sixteen (16) planned outputs worth UGX.98.87Bn assessed; five (5) outputs were fully implemented, while eleven (11) outputs were partially implemented. • I assessed the delivery of services from implemented activities and noted that the average time taken to issue passports increased to 22 days from 15 days in the prior year, 2020/2021. In addition, the processing and issuance of passports is more congested in the central region of Kampala compared to regional passport offices. There is a need to devise strategies to decongest Kampala Offices. • I analysed data for 20,924 unissued passports and noted that 760 passports were still held at quality control, 2,435 passports had not been picked up for over six (6) months while 1,200 passports carried a status that showed that they were not ready for pickup, such as "for approval", "for order generation" or for deferred capture. Such delays should be investigated and addressed to avoid discouraging applicants from picking up their passports. • Only 32% of applicants who pay for express processing get their passports within two (2) days. Most applicants who pay for express services get their passports within 15 or more days. • I assessed the extent of utilisation of smart gates at Entebbe International airport and observed only 0.05% of travellers in the financial year 2021/2022 were cleared using the smart gates. The underutilisation implies that the gates are not delivering the intended services to the citizens. • I reviewed public land management and noted that NCIC's annual land acquisition budgets were inconsistent with its strategic plans. The land acquisition processes did not comply with the PPDA laws, and some of the entity's land was untitled. In addition, NCIC did not maintain a land register or capture the owned land in the asset's

		register in the Government's Integrated Financial Management System (IFMS), and the manual land register maintained does not comply with the format prescribed by the Accountant General. • I reviewed IT systems management and noted that NCIC's systems are not fully integrated, and the entity's ICT governance had a number of shortfalls. For instance, there were no structures to oversee ICT implementation; no approved IT staff structure, internal audit did not review ICT systems and the entity's business continuity policy, and the plan was not comprehensive enough to ensure the seamless continuation of business operations in the event of a disaster. • I noted that the execution of the Turnkey contract for supplying an e-passports system and booklets did not fully comply with the contract terms. For instance, the construction of the NCIC personalisation building and a security printing factory has not yet commenced, migration of legacy data has not been done.
11.	The Court of Judicature (The Judiciary). <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.378.2Bn, only UGX.337Bn was spent by the entity resulting in an unspent balance of UGX.41.24Bn representing an absorption level of 89.12%. As a result, from the twelve (12) quantified outputs worth UGX.90.2Bn assessed; two (2) outputs were fully implemented, and ten (10) outputs were partially implemented. • I assessed the delivery of services from implemented activities and noted that clearance rates had greatly improved; however, I noted that the set targets were still low even with the increasing number of Judicial officers and funding. • I noted that the outstanding cases increased by 16%, and the average case disposal rate stood at 41%. I observed that the small claims procedures attained a high success rate, and on the other hand, a review of mediation activities revealed a very low success rate. I reviewed the construction works and noted delays in the construction works with some projects like the Court of appeal buildings of Gulu, Mbarara, and the Court circuits of Luwero and Soroti, with no progress at all. • The Judiciary had outstanding domestic arrears of UGX.1,184,607,569 as at 30th June 2022. • Judiciary has an old fleet of vehicles. I sampled 26 vehicles and observed that each vehicle visited the garage an average of eight (8) times in the year, while the annual average cost of repairs was UGX.26,486,047 per vehicle. I reviewed the Board of survey report and observed that none of the vehicles had been earmarked for disposal. • I noted delays in the roll-out of the Electronic Court Case Management Information System (ECCMIS) in seven of the nineteen courts, the new set timelines of September 2022 was not met. • I noted that the interconnection of ECCMIS with other Government agencies like the Ministry of Justice and the Office of the Directorate of Prosecution's Prosecutor Case Management Information System (PROCAMIS) for the exchange of data and cases had not been implemented. • I noted that all 111 pieces of land measuring approximately 42.783 hectares were not recorded in the entity's land and assets register.

		• The Judiciary did not have land titles for ninety-five (95) pieces of land measuring approximately 34.468 hectares. • The titles for 11 pieces of land measuring approximately 6.705 hectares were not transferred into the custody of the Uganda Land Commission. • I noted that the entity did not utilise five (5) pieces of land measuring approximately 6.963 hectares
12.	The Uganda Prisons Service. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.101.30Bn, UGX.99.0Bn was spent by the entity resulting in an unspent balance of UGX.1.4Bn representing an absorption level of 98.6%. As a result, I noted that out of the sixteen (16) planned outputs worth UGX.98.87Bn assessed; five (5) outputs were fully implemented, while eleven (11) outputs were partially implemented. • I assessed the delivery of services from implemented activities and noted that the average time taken to issue passports increased to 22 days from 15 days in the prior year, 2020/2021. In addition, the processing and issuance of passports is more congested in the central region of Kampala compared to regional passport offices. There is a need to devise strategies to decongest Kampala Offices. • I analysed data for 20,924 unissued passports and noted that 760 passports were still held at quality control, 2,435 passports had not been picked up for over six (6) months while 1,200 passports carried a status that showed that they were not ready for pickup, such as "for approval", "for order generation" or for deferred capture. Such delays should be investigated and addressed to avoid discouraging applicants from picking up their passports. • Only 32% of applicants who pay for express processing get their passports within two (2) days. Most applicants who pay for express services get their passports within 15 or more days. • I assessed the extent of utilisation of smart gates at Entebbe International airport and observed only 0.05% of travellers in the financial year 2021/2022 were cleared using the smart gates. The underutilisation implies that the gates are not delivering the intended services to the citizens. • I reviewed public land management and noted that NCIC's annual land acquisition budgets were inconsistent with its strategic plans. The land acquisition processes did not comply with the PPDA laws, and some of the entity's land was untitled. In addition, NCIC did not maintain a land register or capture the owned land in the asset's register in the Government's Integrated Financial Management System (IFMS), and the manual land register maintained does not comply with the format prescribed by the Accountant General. • I reviewed IT systems management and noted that NCIC's systems are not fully integrated, and the entity's ICT governance had a number of shortfalls. For instance, there were no structures to oversee ICT implementation; no approved IT staff structure, internal audit did not review ICT systems and the entity's business continuity policy, and the plan was not comprehensive enough to ensure the seamless continuation of business operations in the event of a disaster. • I noted that the execution of the Turnkey contract for supplying an e-passports system and booklets did not fully comply with the contract terms. For instance, the construction of the NCIC personalisation building and a security printing factory has not yet commenced, migration of legacy data has not been done.

13.	Centers For Disease Control and Prevention (CDC) Funds Managed By Uganda Prisons Service (UPS)	• I noted that management had not understood the internal control procedure of using serially numbered payment vouchers. Manually written references have the inherent risk of human errors. When payments are not properly referenced, it becomes difficult to trace them to their supporting documentation. • I noted variances between the expenditure recorded in the cashbook and the expenditure reported in the quarterly financial reports for the year ended 30th September 2021. • I noted that the bank reconciliations from June 2021 to September 2021 were not correctly done. There were un-reconciling differences between the cashbook and the bank statement balances. In addition to this, the bank reconciliations provided for my review lacked evidence of review and approval by senior management. • I noted that the project field staff allowances were not charged PAYE tax. Non-compliance with Income Tax Act may precipitate tax penalties from Uganda Revenue Authority, leading to financial loss for the project. • I noted quarterly reports were not submitted to CDC on time. Late submission of reports may delay reporting, monitoring and evaluation of the project by the development partners.
14.	The Law Development Centre (LDC). <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.28.663Bn, only UGX.28.640Bn was spent by the entity resulting in an unspent balance of UGX.0.023Bn representing an absorption level of 99.9%%. As a result, I noted that of the five (5) quantified outputs worth UGX.28.64Bn assessed, all five (5) outputs were partially implemented. • I assessed the delivery of services from implemented activities and noted delays in the construction of the multi-storeyed administration building and modification of the LDC printer building to accommodate a printery and store units. I also noted delays in the delivery of equipment like the production machines, tools and desktops for Lira campus. • I noted delays in the marking of exams while a review of the completion rate of the Bar-course for students at LDC revealed that, on average, 92% of students admitted for the Bar Course successfully enrolled to study the course. I also noted that, on average, only 48% of students enrolled for the Bar Course completed the course within the one-year duration of study of the course. • I reviewed the management of land and noted that LDC did not have land titles for seven (7) pieces of land. LDC did not utilise the five acres of land leased to LDC for 99 years to construct the Lira campus. There were significant encumbrances on the land located on Plots 1 and 4 Block 213, Kyadondo - Bukoto Mulimira Zone, Bukoto Parish, Nakawa Division, Kampala District, measuring approximately four (4) acres, which was fully occupied by squatters. • I observed that domestic arrears increased by 95.3% from UGX.1.99Bn in the previous year to UGX.3.89 Bn as at 30th June 2022. • I observed that LDC did not submit reports on their ongoing court cases to the Ministries of Justice and Finance as required by set guidelines. As a result, the nineteen (19) cases in which LDC is a litigant do not form part of the database and record of ongoing cases maintained by the Ministry of Justice.

15.	The Uganda Registration Services Bureau –Liquidation. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.24.83Bn, only UGX.24.51Bn was spent by the entity resulting in an unspent balance of UGX.0.32Bn representing an absorption level of 98.7%. As a result, I noted that all the four (4) quantified outputs worth UGX.20.2Bn were partially implemented. • I assessed the implementation of URSB's mandate and noted that the Bureau was experiencing challenges in storage space on the servers to support the entity's IT systems, affecting service delivery. Whereas the Bureau requires a storage size of 69 terabytes, only nine terabytes were available for allocation. It was further revealed that the available space is approximated to only serve until June 2023, given the current demand for storage space, after which the Bureau will be out of space. • I reviewed the operations of the National Marriage Registration System and noted several changes affecting service delivery. These included; Clients can only make payments through the bank, the filling of civil marriage returns by the Chief Administrative Officers is not enabled, the system doesnot provide alerts or real-time updates of an application for marriage to intending couples, hence making the follow up of any progress difficult. In addition, the replacement of lost certificates is not catered for in the system, and the system allows filing of marriages from ungazetted churches. • A trend analysis of the Bureau's domestic arrears position for the past three years showed that arrears increased by 335% from UGX.1.47Bn in 2019/2020 to UGX.6.38Bn in 2021/2022. No budgetary provision was made to settle domestic arrears totalling UGX.4,516,077,833 in the year under audit. • I reviewed the management of IT investments and noted that the entity receives insufficient funds to maintain IT hardware. In addition, the Bureau has no maintenance plan for IT systems, and routine maintenance of systems is not carried out. Instead, the Bureau relies on corrective maintenance of IT systems and equipment in response to user requests or when systems break down. • A review of the Board of survey reports and the assets register revealed that 301 IT equipment had been used for periods exceeding ten (10) years and are due for disposal.
16.	The Uganda Registration Services Bureau -Operations. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.24.83Bn, only UGX.24.51Bn was spent by the entity resulting in an unspent balance of UGX.0.32Bn representing an absorption level of 98.7%. As a result, I noted that all the four (4) quantified outputs worth UGX.20.2Bn were partially implemented. • I assessed the implementation of URSB's mandate and noted that the Bureau was experiencing challenges in storage space on the servers to support the entity's IT systems, affecting service delivery. Whereas the Bureau requires a storage size of 69 terabytes, only nine terabytes were available for allocation. It was further revealed that the available space is approximated to only serve until June 2023, given the current demand for storage space, after which the Bureau will be out of space. • I reviewed the operations of the National Marriage Registration System and noted several changes affecting service delivery. These included; Clients can only make payments through the bank, the filling of civil marriage returns by the Chief Administrative Officers is not enabled, the system doesnot provide alerts or real-time updates of an application for marriage to intending couples, hence making the follow up of any progress difficult. In addition,

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17.	The Ministry of Internal Affairs. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.67.55, UGX.67.08Bn was spent by the entity resulting in an unutilised warrant of UGX.0.48Bn representing an absorption level of 99.3%. As a result, I noted that out of the twenty-three (23) planned outputs worth UGX.26.77Bn assessed; eight (8) outputs were fully implemented, while fifteen (15) outputs were partially implemented. • I noted a 97% increase in the number of reported incidents of trafficking in persons from 214 in the year 2021 to 421 in the year 2022. In addition, only 78% of the victims are rescued and freed. The increase poses a security threat to the citizens and increases public outcry. • The Ministry does not maintain a centralised database with statistics and detailed information relating to trafficking in persons despite receiving a donation of the software from the IOM. This makes it difficult to design interventions, plan for victims' support and link trafficking cases across different regions of the country. • There are currently no reception shelters for accommodating the victims of trafficking in persons in the country, which renders the reintegration process difficult for returning victims and may reduce the chances of registering success in prosecuting trafficking in persons • I reviewed IT systems management; the Ministry's ICT governance had several shortfalls. For instance, there were no structures to oversee ICT implementation, no approved IT staff structure, and no IT risk management framework and business continuity policy.
18.	NGO Bureau <u>Opinion</u> Unqualified	• Out of the budgeted revenue of UGX.5Bn, only UGX.4.85Bn was received, representing a performance of 97% of the target. All funds received were fully absorbed. • I assessed the implementation of the Bureau's ten (10) outputs and noted that; five (5) were fully implemented, three (3) were partially implemented, and two (2) were not implemented at all. • I reviewed the Bureau's salary payments and noted that PAYE taxes amounting to UGX.255,190,100 were deducted from employee emoluments but were not remitted to URA.

		• I observed that the NGO Bureau did not have a fully constituted and operational board of directors to oversee the operations of the Bureau during the year under review.
19.	Uganda Police Force. Opinion Unqualified	• UPF budgeted to collect NTR of UGX.24.50Bn but realised a total of UGX.33.01Bn representing a performance of 135% of the target. • Out of the total budgeted GoU receipts for the financial year of UGX.980.67Bn, UGX.977.63Bn (99.9%) was collected and fully utilised during the year. I sampled sixteen (16) outputs worth UGX.673.89Bn for assessment and noted that seven (7) outputs worth UGX.168.09Bn were fully implemented, while nine (9) outputs worth 245.97Bn were partially implemented. • A total of UGX.3.05Bn was diverted from activities for which they were budgeted and spent on the settlement of arrears. • I assessed the performance of the police Canine unit and noted that; the police dogs are concentrated in the Kampala region despite statistics indicating a significant number of crimes reported in rural areas. • I noted that the dogs' medical requirements are not sufficiently addressed due to an insufficient number of veterinary staff, insufficient transportation facilities and poor housing for the dogs. • I assessed the performance of the forensics unit and noted that the unit does not have a Laboratory Information Management System and an automated exhibit tracking system. Analysis shows that there was an increase in the backlog of cases in the Forensic unit. • I observed overcrowding at the UPF's enrolment and distribution centre for Certificates of Good Conduct. This was attributed to the increased demand for the certificates. For instance, the number of certificates issued increased by 170% from 31,671 in 2020 to 85,664 in 2021. There is need to establish more enrolment centres and decentralise the operations. • I reviewed the performance of investigation by the CID and noted that only 56% of cases were investigated and concluded, leaving a backlog of 316,667 cases. This was partly attributed to low levels of automation in the investigation process, limited technical and financial support, and human resource challenges such as insufficient training. • I reviewed the performance of the Express Penalty Scheme and noted an increasing trend of unpaid tickets for fines issued over three (3) years. The analysis revealed that out of the 1.77 million tickets issued in the last three financial years, 700,000 tickets worth UGX.94Bn were still unpaid at the time of audit. This was attributed to weaknesses in the enforcement of payment of traffic fines. Some offenders are untraceable, with no permanent addresses; others are foreigners, and yet there is no policy on enforcement procedures, especially for such defaulters.

		• There was a fire outbreak at Uganda Police's Garment Factory in Lugogo along Jinja Road, which damaged both equipment and materials, causing an estimated loss of UGX.1.95Bn. An investigation into the cause and extent of the fire's damage is yet to be concluded. • I reviewed public land management and noted that UPF land at Kabalagala, Nakawa and Pallisa is encumbered, which poses a risk of loss of land. A number of land parcels owned by UPF are not titled. • There is unclear ownership of Police land in Naguru arising from a claim for the same land by M/s Oscar Industries Ltd. • Whereas the Government leased land to UNAFRI for setting up their operations, the agency has since failed to develop the land and has subleased the land to Yuasa and Future group car bonds while the structures are being rented out to individuals for revenue. • I noted deficiencies in the ICT Governance structures. The ICT department is understaffed, and there is no IT risk management framework, risk register and business continuity plan. • I noted that UPF does not adequately budget for liabilities arising from compensations and court awards. There were delays in the settlement of court awards, with some not settled for over 10 years. UPF does not maintain a comprehensive and detailed register of all cases for compensation and court awards.
20.	National Identification and Registration Authority (NIRA). <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.62.62Bn, only UGX.57.27Bn was spent by NIRA resulting in an unspent balance of UGX.5.34Bn representing an absorption level of 91.46%. • Out of the budgeted funds of UGX.75.02Bn, only UGX.62.62Bn was warranted, resulting in a shortfall of UGX12.4Bn, which represents 16.5% of the approved budget. • Out of the total approved NTR estimates of UGX.15Bn, only UGX5.3Bn was collected, representing a performance of only 35%. • I sampled ten (10) outputs that had been fully quantified worth UGX.22Bn and noted that two outputs worth UGX.3.1Bn were fully implemented, and seven outputs worth UGX.18.9Bn were partially implemented. • I reviewed the progress of enrolment and registration of citizens and noted that approximately 4.3 million Ugandans are still unregistered, and 419,055 have applied, but their applications are still under data processing. It takes an average of 21 days to process an application instead of the expected seven days if NIRA is working efficiently, indicating delays in the process. • I noted that about 1.6 million cards were printed but not issued, and 1.5M of these have been unissued for a period exceeding six months. In addition, about 1.3 million applications were rejected for inaccurate data and errors that need rectification, but NIRA has not notified these clients.

		• I noted that there were challenges with the registration of minors, including registration of births outside of homes. The challenges were; the capture of incorrect and incomplete information and cultural practices of not naming children immediately at birth • I observed that there was no harmonization and interface of NIRA systems with other government agencies and enterprises. • I noted congestion at registration and card issuance centres especially in the Kampala metropolitan area, with over 41% of total issued cards being issued within this area. • I noted challenges in customer service management, such as lack of dedicated staff to handle customer complaints, staff deployed in the call centre not being trained in customer service, and lack of a manual or automated register of complaints received from walk-ins to enable their tracking up to their resolution, no dedicated staff to handle online platforms and no support offered for clients who seek clarification during weekends and on days when there are national events at Kololo airstrip. • There were weaknesses noted in the management of the joint venture arrangement with USPC, including; failure to issue call-off orders for blank cards, delays in implementing and installing new systems under the joint venture and irregular pricing of supplies and services under the joint venture. • I noted that there was no strategy and plan regarding the transfer and migration of processed and stored data, process flows, biometric data scope and timing, among others which may lead to interruptions in the normal operations in the production of IDs, security and preservation of data integrity and delayed delivery of expected outputs under the Joint venture. • I noted a number of governance issues related to the management of ICT investments, including understaffing of the ICT department, no approved IT risk management framework/policy at the entity, no risk register, and no approved business continuity plan and disaster recovery in place. • I assessed the road map for the Mass Registration and Mass Renewal of National IDs and noted that there was no clear implementation strategy on when the new IDs are to be rolled out during the mass renewal and mass registration, major contracts for supplying the blank cards, IT systems, equipment and staff to manage the exercise were yet to be rolled out. • I noted Non-Compliance aspects in the acquisition of ICT solutions and equipment, such as the development of a website with online services without clearance from NITA-U, an online booking system and website developed without business cases, an online booking system not being utilized by the entity and some modules not being used by the entity such as the alien registration, verification of Payment Registration Numbers (PRNs) and ID renewal modules under the NSIS, the electronic data storage for Human Resource Management Information System and the registration module for CRIMS. • I observed that 85 IT systems or hardware equipment had exceeded the recommended five years of useful life and were due for disposal.

		• I noted that there was no strategy and plan regarding the transfer and migration of processed and stored data, process flows, biometric data scope and timing, which may lead to interruptions in the normal operations in the production of IDs, security and preservation of data integrity and delayed delivery of expected outputs under the Joint venture • I noted that the entity is understaffed, with only 423 positions filled out of an approved structure of 865 staff, resulting in a shortfall of 442 (representing 49%). Key positions like Director ICT, manager Human Resources, Manager Public Relations and Senior Accountant were vacant at the year-end. This leads to the underachievement of planned activities due to an overload of existing staff.
21.	Amnesty Commission <u>Opinion</u> Unqualified	• Out of the budgeted revenue of UGX.3.3Bn, only UGX.3.01Bn was received, representing a performance of 93% of the target. All funds received were fully absorbed. • I assessed the implementation of the Commission's four outputs and noted that; one (1) output was fully implemented, while three (3) were partially implemented. • I reviewed the entity's payments and noted that UGX.81,898,396 related to prior year invoices that were not declared as arrears in the financial statements for the year ended 30th June 2021 and thus not budgeted to be paid in the year under audit.
	SECURITY SECTOR	
1.	Ministry of Kampala Capital City and Metropolitan Affairs (MKCC&MA) <u>Opinion</u> Unqualified	• The Ministry had a budget of UGX4.5bn which was all warranted. Out of this UGX.4.16Bn was utilized representing an absorption level of 92%. The un-utilized funds UGX.34Bn were meant for recruitment of staff. • I noted that that the entity did not provide performance indicators in the work plans and as a result it was not possible to assess the extent to which planned activities were implemented. • The Ministry had challenges of office space and significant staffing gaps. During the year the ministry was only housed by the Office of the president. • In regard to staffing, out of the approved staff establishment of 50 employees, 23 positions were filled leaving 27 vacancies unfilled representing a staffing gap of 54%.
2.	National Enterprise Corporation (NEC) Agro SMSC LTD <u>Opinion</u> Unqualified	• NEC AGRO SMC LTD had an operating margin of 7.4% which is below the 15% recommended threshold. This performance was also below the 8.3% realized in the previous year 2020/21. • For the year under review, NEC Agro SMC LTD posted a return on assets of 19% down from 21.6% posted in the previous year, representing a reduction in ROA of 12%. • I noted that the company had a current ratio of 10.7 for the year under review which was above the desirable ratio of 1.5. This implies that the company is not facing liquidity problems. I further noted that the current ratio for the year increased by 51% from a ratio of 7.1 recorded in the previous year.

		• I noted that despite the company making a profit of UGX.1,638,416,786 in the year under review and UGX.1,470,968,482 in the previous financial year, the company did not propose any dividend pay-out as a form of return on Government investment. I further noted that the Company has not paid any dividends to Government for the previous years.
3.	Kiira Motors Corporation. <u>Opinion</u> Unqualified	• KMC had an approved budget of UGX.218,200,839,000 which was all availed during the year. Out of this, the entity absorbed UGX.65,215,742,112 which was only 30% of the funds availed. This affected the implementation of planned activities (all the three outputs planned for the year were partially implemented). • The entity had an un-recovered long outstanding receivable of UGX.8,489,374,688 from Makerere University which remained outstanding for more than eight years. • The entity bought 518 hectares of land without notifying Uganda Land Commission and without obtaining approval for purpose of the land from the Uganda land Commission which contravened Section 49 (b) of the Land Act. I further observed that part of this land had encumbrances in form of squatters. • KMC does not have adequate ICT business continuity and disaster recovery measures in the event of ICT systems failure and disruptions.
4.	Presidential Initiative on Banana Industrial Development (PIBID). 2020/2021 <u>Opinion</u> Disclaimer	• Whereas a Trial Balance was presented in the financial statements as the basis for the account balances disclosed, I noted that the ledgers required to show the build-up of figures in the Trial Balance were incomplete. I further noted that the expenditure ledgers for Government subvention funds were inconsistent with the ones used to record expenditure of revenue from sales. I was therefore unable to confirm the correctness of the build-up of the figures in the Trial Balance, which was the basis for preparation and presentation of the financial statements. • I reviewed the statement of cash flows and noted figures in several account areas totalling to UGX.11Bn that were inconsistent with the statement of financial performance and were not supported with ledgers. I could not carry out reconciliations between the figures in the Statement of Financial Performance and those in the statement of cash flows due lack of proper underlying records. As a result, I could not verify the accuracy of the figures reported in the statement of cash flows and the statement of financial performance. • A review of the summary of Budget Performance and the Statement of Appropriation Account (Based on Nature of Expenditure) indicates that the company spent UGX.1.213Bn on fixed assets during the financial year. However, a review of the additions in the schedule of fixed assets, indicated that UGX.2.025Bn was spent on asset additions during the year. This led to a discrepancy of UGX.812Mn between the summary of budget performance and the statement of appropriation, and the fixed asset schedule amount in respect of asset additions. I was not provided with ledgers to enable reconciliations of the amounts. These inconsistencies cast doubt on the accuracy of the information presented concerning the expenditure on fixed assets. • I reviewed the NTR estimates, revenue sources, and rates charged at the entity level for the financial year 2020/2021 and noted that out of the UGX.2.757Bn budgeted to be collected in the year under review, only UGX.0.295Bn was collected during the year representing 11% of the budget. Such a performance on NTR collection

		implies a significant failure of revenue collection strategies employed by the institution which may impact its sustainability. • It was further allocated supplementary funding of UGX.527.8Mn for the PRESIDE research project, of which UGX.343.9Mn was received during the financial year and the balance received shortly after the close the financial year as a result, out of the 23 outputs assessed, 14 outputs representing 61% were fully implemented and 6 outputs representing 26% were partially implemented and 3 outputs representing 13% were not implemented. Failure tp fully implement planned activities may lead to inability to attain the intended project objectives. • PBID has a secondary processing plant, which turns matooke chips into matooke flour with a capacity of 1 tonne per hour. During the audit, I was not provided with details of output during the period, but my anaysis of revenue reported during the year shows only UGX.295Mn was attained against a budget of UGX.2.757Bn. This implies the plant is grossly under utilised. • Of the UGX.295Mn that was reported as collections from operations, only UGX.99Mn was banked. Out of the unbanked revenue of UGX.196Mn, only UGX.153.9Mn was accounted for in form of cash payments leaving a balance of UGX.42Mn unaccounted for. There is a risk that this amount was not put to proper use. • PIBID lacked land titles for its land at Sanga (approximately 50 acres) and land located at Kyamuhanga (approximately 4 acres) exposing the land to the risk of encroachment and land grabbing. • PIBID does not have an approved salary structure on which it pays individual staff. It should be noted that this issue has been re-occurring and Management has not taken action. • Contracts totalling UGX.1.228Bn were signed by the entity without the approval of the Solicitor General contrary to Article 119 of the Constitution of the Republic of Uganda 1995 (as amended). This exposes government to risks of unfavaourable contractual terms and potential loss.
5.	Uganda National Council for Science and Technology (UNCST) <u>Opinion</u> Unqualified	• I reviewed the approved budget for the financial year 2021/2022 and noted that the entity had a revenue budget of UGX.43.14Bn during the year under review. By the end of the year only UGX.29.10Bn had been realized, representing a performance of 32.9% of the target • I noted that the entity only had a budget of UGX5.5bn for land purchase during the period under review, but went ahead and spent UGX.8.5bn resulting in an irregular over payment of UGX.3bn. • The Uganda Land Commission was not involved in the procurement of the land since the entity did not obtain any approvals from ULC as required. Similarly, the title of the land was not transferred to the names of ULC by Management as required by the land Act. • Out of the approved staff structure of 70 positions, 55 were filled leaving 15 positions unfilled.
6.	National Enterprise Corporation (NEC) Farm Katonga. <u>Opinion</u>	• I noted that the Company has an operating margin of 7.1%, which is below 15% which is generally recommended. The current year operating ratio however is 5.9% above the ratio of the previous year 2020/2021.

	Unqualified	• I noted that the entity made profits of UGX. 253,263,582 after tax in the year under review up from UGX.32,789,541 realized in the previous year representing a rise in profits of 672.4%. Despite the performance, the entity still had negative retained earnings of UGX. 1,558,748,753 as at the end of the financial year. • Return on Assets; Although the return on assets for the entity increased to 2.6% from 0.4% recorded in the previous year, the return was still very low.
7.	National Enterprise Corporation (NEC) Headquarter Opinion Unqualified	• I noted that the National Enterprise Corporation had not fully automated its financial production and reporting processes. Financial Statements were still being produced in a manual form. • I noted that out of the 26 staffs the entity has twenty-two (22) staffs only leaving a balance of four (4) positions unfilled. The four unfilled positions included key positions such as the Chief Accountant.
8.	National Enterprise Corporation (NEC) Luwero Industries Limited. Opinion Unqualified	• Included in the statement of financial position is a long-term outstanding trade debtors total of UGX.4,319,714,000 expected from NEC Uzima being an advance for acquisition and installation of a new watering line. However, I was not availed a plan of recovery or any initiatives taken by management to recover the funds. • I noted that the company had a current ratio of 20.3 for the year under review which was above the desirable ratio of 1.5. I further noted that the current ratio for the year increased by 71% from a ratio of 11.9 recorded in the previous year. • I noted that despite the company making a profit of UGX.7.882BN in the current year and UGX.3.682BN in the previous financial year, the company did not propose any dividend pay-outs as a form of return on Government investment. I further noted that the Enterprise/Company has not paid any dividends to government for the previous years.
9.	National Enterprise Corporation (NEC) Uzima Ltd Opinion Unqualified	• The Company has an operating margin of 6.2% which is below 15% and below the 32% realized in the previous year 2020/21 • The company posted a return on assets of only 1.9% from 12.1% posted in the previous year, representing a reduction in ROA of 10% • The company had a debt ratio of 55% as at the end of the financial year. In comparison with the previous year, the debt ratio was 53.5% indicating a rise of 1.5% in the debt ratio over the one-year period. • I noted that despite the company making a profit of UGX.191 million during the year under review with a positive retained earnings totalling to UGX.103 million, the company did not propose any dividend pay-out as a form of return on Government investment
10.	National Enterprise Corporation - Construction, Works and Engineering Ltd 2020/21	• The Company has an operating margin of 6.2% which is below 15% and below the 32% realized in the previous year 2020/21

	Opinion Unqualified	• The company posted a return on assets of only 1.9% from 12.1% posted in the previous year, representing a reduction in ROA of 10% • The company had a debt ratio of 55% as at the end of the financial year. In comparison with the previous year, the debt ratio was 53.5% indicating a rise of 1.5% in the debt ratio over the one-year period. • I noted that despite the company making a profit of UGX.191 million during the year under review with a positive retained earnings totalling to UGX.103 million, the company did not propose any dividend pay-out as a form of return on Government investment
11.	Uganda Air Cargo Corporation (UACC) Opinion Unqualified	• The Corporation has long outstanding receivables amounting to UGX.21,530,187,266. Of this, over UGX.8,267,011,797 representing 38.4% has been outstanding for a period of more than five (5) years. • The Corporation continued to make losses posting a loss of UGX 9.04Bn in the current year. Similarly, the Corporation's liquidity and gearing position were below the desirable level which is an indicator that the Corporation is still not performing well financially. • The Corporation currently has no Board to oversee its operations after the old Board expired on 30th June 2022.
12.	State House. Opinion Unqualified	• I noted that the Entity planned to collect NTR of 0.12Bn however by the end of the year 0.24Bn had been realised. I further noted that the entity had a budget for GOU funds of UGX 653Bn which was all warranted and absorbed. • I assessed the implementation of a sample of fourteen (14) outputs with a total of forty-six (46) activities worth UGX.408.6Bn and noted that nine (9) outputs with nineteen (19) activities worth UGX.149.2Bn were fully implemented, while five (5) outputs with twenty-seven (27) activities worth UGX.259.4Bn were partially implemented. • I noted that State House had un-titled properties for eighteen 18 (State lodges) under its ownership. • A review of the Board of survey reports for the period ending June 2021, and the assets register revealed that various assorted ICT Equipment exceeded the recommended useful life and should have been disposed of which was not done. • The entity did not have an approved IT Risk Management Framework/Policy and Risk Register which affects the entity's ability to identify or detect IT related risks which can lead to failures of information systems.
13.	Office of the President Opinion Unqualified	• I noted that the entity was supposed to receive UGX.559,045,484,390 out of which UGX.555,960,866,639 was warranted, resulting in a shortfall of UGX.3,084,617,751. The shortfall represents 0.55% of the approved budget. Out of the total warrants of UGX.555,960,866,639 received during the financial year UGX.554,639,945,166 was absorbed by the Entity resulting in an unspent balance of UGX.1,320,921,473 representing an absorption level of 99.9%.

		• I sampled ten (10) outputs that had been fully quantified with a total of fifty-five (55) activities worth UGX.79.38Bn and noted that Four (4) outputs worth UGX.42.08Bn were fully implemented, five (5) outputs worth UGX.32.7Bn were partially implemented while one (1) output with two (2) activities worth 1.56Bn was not implemented at all. • I noted that 46 out of the 62 pieces of land owned by the entity did not have titles while titles for 10 Pieces of land measuring approximately 6.82589 hectares were not transferred into the names of the Uganda Land Commission. • I noted that at the end of the year the entity had outstanding domestic arrears of UGX.31.8Bn. • A review of the Entity's current staffing levels revealed that out of the total of 737 positions, 298 were filled leaving 439 positions vacant representing 40% staffing levels. • I noted shortcomings in the management of the entities ICT function which included failure to dispose of obsolete assets, Non-compliance with NITAU requirements among others.
14.	Ministry of Defence and Veteran Affairs (MoDVA). <u>Opinion</u> Unqualified	• The entity had an NTR estimate of UGX 0.70Bn and by the end of the year UGX. 1.2Bn had been collected representing a performance of 175% • The entity had a total budget of UGX.4,168,226,754,316 which was all warranted. Out of this, UGX. 4.167Tn was spent by the entity resulting in an unspent balance of UGX.1,236,047,040 representing an absorption level of 99.9%. • I was not able to confirm the extent to which planned activities were implemented since the work plans did not have KPIs to facilitate measurement of performance. • I noted that all land measuring approximately 7,562.072 hectares were not recorded in the entity land/assets register. I further noted that all land measuring approximately 7,562.0722 hectares were not recorded in the GFMIS fixed assets module of IFMS as required by the Treasury Instructions. • I noted that 20 pieces of land measuring approximately 12,534.378 hectares had encumbrances in the form of encroachment. In addition, 31 pieces of land measuring approximately 15,585.337 hectares did not have land titles. • The entity had domestic arrears amounting to UGX 314,062,612,228 as at 30th June 2022. • I reviewed the Management of ICT systems and noted shortcomings for example; 13 IT systems/equipment were procured at a cost of UGX. 0.872,786,264 without clearance from NITA-U, the entity signed contracts worth 0.711Bn without clearance from Attorney General, and 5 IT projects worth 0.872Bn were not implemented within the required timelines, lack of business continuity plan, lack of ICT steering committee among others. • I noted delayed completion of the UPDF National Referral Hospital at Lower Mbuya which resulted in delayed service delivery. • I noted delayed compensation of court awards where in some cases the ministry had taken more than five (5) years to effect compensations. In addition, the Ministry did not have a comprehensive register of court awards and compensations made and outstanding.

	PUBLIC SECTOR MANAGEMENT SECTOR	
1.	Development Response to Displacement Impact Project(DRDIP) <u>Opinion</u> Unqualified	• Out of the total warrants of UGX.245.88Bn received during the financial year, the project submitted invoices totalling UGX.237.83Bn resulting in un-utilised warrants of UGX.8.05Bn representing an absorption level of 96.72%. • I assessed the implementation of a sample of three (3) outputs that had been fully quantified with a total of eighteen (18) activities worth UGX.237.8Bn and noted that; One (1) output with seven (7) activities and expenditure worth UGX.13.799Bn were fully implemented. Two (2) outputs with eleven (11) activities worth UGX.224Bn were partially implemented. Out of the eleven (11) activities, the entity fully implemented seven (7) activities; two (2) activities were partially implemented, while three (3) activities remained unimplemented. • I noted that the project continued to cumulatively withdraw and disburse funds to the different subgroups in the implementing districts. This currently stands at UGX.536.62Bn. However, only UGX.363.19Bn (67.6%) has been utilised and accounted for. The balance of UGX.173.43Bn (32%) remained unutilised and on the bank accounts for the different subgroups. • I reviewed the project's performance against the results framework and observed that the project had achieved year four performance targets for nineteen (19) of the twenty-six (26) performance indicators representing 95%. However, seven (7) performance indicators in the project year three targets were not achieved. • I noted that the implementing partners lacked tangible achievement in implementing their target activities in component 2 across all the districts due to the late engagement process of the implementing partners by DRDIP management and the six months suspension by the IGG. Additionally, the funds to the implementing partners only covered the labour training arrangements but did not consider the operational costs like fuel/ transport logistics. • The project had an indicative planning figure of UGX.6.4Bn for implementing traditional and non-traditional livelihoods but did not disburse funds to appraised micro-projects for the year under review. I also noted that the project had not embarked on the procurement/ engagement process of the Capacity-Building Partners (CBPs) • I noted that the project had outstanding commitments to the tune of UGX. 62,171,493 at the year-end. • I noted that the DRDIP MIS was not yet integrated with other IT systems as required by the Project Implementation Manual. The un-integrated systems include; the Integrated Financial Management System (IFMS), OPM Geographical MIS used for monitoring and evaluation of government interventions across the country and the beneficiary registry in the Ministry of Gender.
2.	The New Vision printing and Publishing company Limited <u>Opinion</u> Unqualified	• New Vision Printing and Publishing Company Limited market capitalisation of UGX 12,240 million was significantly lower than the carrying amount of the company’s net assets of UGX 65,039 million as at 30th June 2021 which is an indicator of impairment of the Company’s tangible non-current assets. In accordance with IAS 36 Impairment of Assets, an impairment assessment was done on the company’s non-current assets and no reportable exception was found.

		• The company had trade and other receivables of UGX 32.8 billion as at 30th June 2022 compared to UGX 32.4 billion of the previous period (2021) and expected credit losses of UGX 3.37 billion (2021: UGX 3.2 billion) as at 30th June 2022. Management performed the impairment assessment of trade receivables and other receivables using its own expected credit loss model. I however noted challenges with the expected credit loss model, like a lack of integration of the risk management framework into the financial reporting system, the different users of the model, were not trained on how to use the model and there were inconsistencies in the source of data for the model.
3.	Uganda Printing and Publishing Corporation <u>Opinion</u> Qualified	• The Statement of Financial Position as at 30th June, 2022 reported the UPPC Investment in the Joint Venture (Uganda Security Printing Company Limited) at a cost of UGX.9.097Bn as valued by 30th June, 2020 but did not use the equity method as required by IFRS 11- Joint arrangements implying that the statement is misstated and misleading to the users. • I noted that whereas the Tax records as per URA revealed a tax liability figure of UGX.1.609Bn, the Financial Statements disclosed only UGX.1.148Bn resulting in a variance of UGX.0.461Bn • I noted that debtors worth UGX.3.76Bn have been outstanding for a period ranging between 361 days to 1800 days contrary to best practice thus limiting the availability of funds for UPPC activities. • Review of the Corporation financial performance revealed a fall in profits of 64.4% from profits of UGX.3.38Bn realized in the previous year, a reduction of 21% on Return on Assets from 26% posted in the previous year, a liquidity ratio of 2.8 implying the Corporation is not efficiently using its current assets and failure to pay any dividend to government for the previous (3) years despite making profits. • I noted that the Corporation did not have a functional Board of directors during the year under review since the tenure for the previous Board had elapsed in October 2021. • Out of the approved staff establishment of 120 staff, only 69 were filled representing 57.5% thereby leaving a staffing gap of 51. • I noted shortcomings in regard to procurement and utilization of IT equipment i.e. IT systems/equipment procured without clearance by NITA-U and neither recorded in the Assets register, failure to accurately record (35) IT assets worth UGX.0.256Bn in the right format, failure to allocate and engrave 25 IT assets to staff in the assets register, lack of specific structures that steer and oversee ICT implementation, non-representation of ICT in top management, lack of an approved IT staff structure, failure by internal Audit to review the various ICT systems and lack of rights to some of the systems, unapproved draft ICT policy, lack of a risk register and lack of a business continuity plan. • I noted that (01) piece of land measuring 1.778 Hectares was disposed of as a contribution to the joint venture with USPC at UGX.9.091Bn below the Chief Government Valuer valuation of UGX.10.6Bn hence causing a financial loss of UGX.1.509Bn to Government and all the 5 pieces of land measuring approximately 1.256 hectares held by the entity valued at UGX4.151Bn were not fully utilized.

		• I noted that the Corporation does not have an approved outsourcing policy/framework for received work orders.
4.	Markets and Agricultural Trade Improvement Project (MATIP) <u>Opinion</u> Unqualified	• There was a shortfall in GoU funding amounting to UGX.0.81Bn representing 81% of the budget. Similarly, the programme had a shortfall in releases from external financing amounting to UGX.32.10Bn representing 45% of the approved budget. • The programme failed to absorb UGX.0.27Bn, representing an absorption level of 99%. As a result, I noted that out of the three (3) outputs with nineteen (19) activities worth UGX.37Bn planned for execution, one (1) activity was fully implemented, seven (7) activities were partially implemented, while eleven (11) activities remained unimplemented. • I noted that the programme experienced several challenges in implementing several activities, such as delays in completing some markets/facilities and operationalising constructed markets/facilities activities, which delayed the delivery of services to the citizens.
5.	Ministry of Public Service <u>Opinion</u> Unqualified	• I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2021/2022 and noted that the entity budgeted to collect NTR of UGX.0.14Bn during the year under review; however, UGX.0.37Bn was collected, representing a performance of 264% of the target. • According to the approved budget, the entity was supposed to receive UGX.34.4Bn, out of which UGX.33.3Bn was warranted, resulting in a shortfall of UGX.1.1Bn. The shortfall represents 3.2% of the approved budget. • Out of the total warrants of UGX.33.3Bn received during the financial year, the entity submitted invoices totalling to UGX.31.045Bn resulting in un-utilised warrants of UGX. 2.259Bn representing an absorption level of 93.2%. • I assessed the implementation of a sample of twenty-two (22) outputs that had been fully quantified with a total of one hundred forty-six (146) activities worth UGX.23.63Bn and noted that; three (3) outputs with twelve (12) activities and expenditure worth UGX.10.02Bn were fully implemented. Nineteen (19) outputs with one hundred thirty-four (134) activities worth UGX.13.6Bn were partially implemented. Out of the one hundred thirty-four (134) activities, the entity fully implemented fifty-five (55) activities; fifty-five (55) activities were partially implemented, while twenty- four (24) activities remained unimplemented. • I undertook physical inspections to establish if works/services were delivered. I noted performance gaps and delays in the renovation of Ministry premises; operationalisation of new cities; operations of the civil service college; compliance with service delivery standards; harmonisation of salaries in Government and roll out and implementation of the Human Capital Management System (HCM). • I noted that though the second phase of implementation of the pay policy was scheduled for FYR 2019/20, the MoPS failed to secure a budget allocation with MoFPED for financing pay enhancement. Also, there was no uniform percentage enhancement of the Public officers to benefit from salary enhancement. Additionally, selective enhancement of salaries for cadres like science teachers executing the same job as artisan teachers in public service has further demotivated the workforce.

		• I noted that with the demand for wages outpacing the current growth rate of the economy, there is a risk that Government would fall short of: • Servicing the financial implication of the increased pension liability as a result of salary enhancement since pension liability is calculated upon the final salary at retirement; • Delivering quality services in the different sectors to the citizens as a substantial portion of the resources available would be reallocated to servicing the wage requirement. • I noted that the expiry of the five years approved pay targets and principles would elapse in the FYR ended 2022/23. Yet, with the recently concluded budget cycle, no funds were appropriated to enhance the salaries of technical officers in the Public Service in both Central and Local Governments.
6.	Local Government Finance Commission <u>Opinion</u> Unqualified	• The Commission did not budget for NTR but collected UGX.2,360,000. • There was a shortfall in releases from GoU amounting to UGX.0.44Bn representing 7.57% of the budget. • The Commission failed to spend UGX.0.01Bn, representing an absorption level of 96.81%. As a result, I noted that out of the six (6) outputs with twenty-seven (27) activities worth UGX.1.71Bn assessed; twenty-four (24) activities were fully implemented, three (3) activities were partially implemented while no activity remained unimplemented. • The Commission had outstanding domestic arrears amounting to UGX.349,024,808 at the end of the financial year relating to unremitted cash limits for rent in 2020/2021. • The Commission did not carry out its functions of revenue distribution, revenue maximisation for LGs and budget allocation for LGs for the FYR 2021/2022. • I observed that the Commission failed to coordinate the automation of Revenue management systems in LGs. • I noted that although the Commission had an approved staff structure of sixty-four (64) officers and employees, only thirty-six (36) positions, representing 56%, were filled, leaving twenty-eight (28) positions representing 44%, vacant.
7.	City Wide Inclusive Sanitation (CWIS) <u>Opinion</u> Unqualified	• I observed that the program work plans and budgets were never approved by Parliament, contrary to the PFMA. • The programme received all the anticipated funds from the donors; however, GoU counterpart funding was less than expected by USD 0.02 Million. • The program absorbed USD USD.1,141,876, which is 53% of the funds availed to the project for implementation of activities. • I noted that the project substantially quantified all its activities. Out of the sixty-eight (68) activities assessed, forty-four (44) – 65% of activities worth USD 975,602 were fully implemented, fourteen (14)- 21% of activities worth USD 116,816 were partially implemented, while ten (10)- 15% of activities worth USD 49,457 were not implemented at all.

		• Inspection of the progress of the project works at four (4) sites revealed that; works at Kyanja had stalled, delayed completion of works at Kalerwe and inadequate contract management at Nakawa, City Square and Kalerwe. This affects service delivery. • The project had accumulated arrears amounting to USD 340,298 at the end of the financial year.
8.	National Planning Authority <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.37.60Bn, only UGX.37.60Bn was spent by the entity resulting in an unspent balance of UGX.0.004Bn representing an absorption level of 99.9%. As a result, I noted that out of the 6 quantified activities worth UGX.8.62Bn assessed; 3 activities representing 50% were fully implemented, 3 activities representing 50% were partially implemented and no activity was not implemented. • The Authority experienced implementation challenges of some activities within the planned time frames, affecting service delivery. • Out of the approved staffing level of 181, only 126 positions were filled (69.6%), leaving a staffing gap of 55 positions (19.3%). • I noted inadequate top-level support in the transition from sector to program approaches to planning and budgeting as only the P/Ss' of the convening Ministries attend the programme working group (PWG) meetings. The rest were lower cadre officers, which lowered the level of the technical discussions. Program Working Groups were generally not functional and had not played their coordination roles basically due to lack of human, financial, and logistical resources. • I noted that at the sub-programme level, the coordination arrangements amongst the development partners, the private sector, and the civil society groups were sluggish over the first half of the NDPIII. • There was delayed approval of strategic plans at only 86% due to non-compliance and delays in responding by the respective MDAs' and LGs' to the various review comments raised by NPA. • I noted delayed realignment of the CNDPF to program planning approach, which affected the proper guidance of entities in undertaking planning activities. • I noted that there was a lack of a follow-up mechanism for ensuring that NPA recommendations on CoC issues are implemented to improve budget compliance in the subsequent years. • I noted that there was lack of programme planning capacity in both MDAs and LGs as, by the time of the MTR, LGs were yet to produce programme-based BFPs despite being allowed to undertake budget expenditure. • I observed that there was no adjustment or risk mitigation strategy which allowed Government to adjust the plan throughout the implementation period in line with the available financial resources and the external environment while keeping the broad focus constant.

		• I noted weaknesses regarding the reporting and performance evaluation on the implementation of NDP III i.e. failure by LGs to produce the annual performance reports, only 4 (20%) out of the 20 programs had been able to produce annual performance reports and the lack of follow-up mechanisms for proper compliance to the respective guidelines. • The MTR highlighted that the PWG processes have not materialized as most programmes (16 out 20) are not operational, and their respective secretariats are not visible. • There was slow progress in implementing NDP III Monitoring and Evaluation reforms. • I noted that there was no current 10-year national development plan informing the formulation of the NDP III and NDP IV. Additionally, the Authority only had a 5-year human resource development plan as opposed to the thirty-year and 10-year long-term development plans as required by the regulations. • The Authority lacked a National research agenda. • I noted that the oversight and coordination mandate or research in different institutions was originally conducted by UNCST and was now duplicated in the Authority. • I noted absence of representation of ICT governance structures at top management and absence of ICT assets in the asset management strategic plan of the Authority. • I reviewed the staff exits from the Authority in the last five financial years and noted a total of 24 staff had left the authority outside the jurisdiction of mandatory retirement or death.
9.	Public Service Commission (PSC) <u>Opinion</u> Unqualified	• The Commission did not budget for NTR however; UGX.1,420,000 was collected. • The Commission failed to spend UGX.0.41Bn representing an absorption level of 97%. As a result, I noted that of the six (6) outputs with fifty-one (51) activities worth UGX.1.65Bn assessed; twenty-three (23) activities were fully implemented, fifteen (15) activities were partially implemented while thirteen (13) activities remained unimplemented. • I noted that the Commission's audit tool lacked a section for following up on prior supervision recommendations made to DSCs before the current assessment. • The revised PSC Guidelines to DSCs and the Assessment tool for Minimum Conditions and Performance Standards have not yet been approved by the Commission awaiting the approval of the PSC Regulations. • I noted that several stakeholders particularly the Ministry of Public Service, Ministry of Local Government, Education Service Commission, and Health Service Commission are undertaking similar and complementary roles with the DSCs however, a review of the existing coordination arrangements revealed weaknesses in how PSC coordinates with other players. The relationship of PSC with other stakeholders needs to be harmonized.

10.	Office of The Prime Minister <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.178.515Bn, only UGX.176.036Bn was spent by the entity resulting in an unspent balance of UGX.2.279Bn representing an absorption level of 98.6%. As a result, I noted that of the 123 quantified activities worth UGX.163.119Bn assessed; 74 activities representing 60.1%, were fully implemented, 32 activities representing 26.1%, were partially implemented, and 17 activities representing 13.8% were not implemented. • The Ministry experienced challenges in implementing some of its activities within the planned time frames, affecting service delivery. • I noted that all the two pieces of land measuring approximately 161.8 hectares acquired by the Ministry were recorded in the entity land/assets register. However, they were not captured in the fixed assets module of the GFMIS, thus affecting the accuracy of the non-produced assets reported in the financial statements. • I also noted that the titles for two pieces of land measuring approximately 161.8 hectares were not transferred from the previous owners' names. • I noted that the entity accumulated domestic arrears of UGX.111,434,060. I further noted that the entity did not budget for prior year arrears of UGX.70,701,127. • UGX.2.5Bn meant for the resettlement of victims of Apaa land was still held in the Office of the Prime Minister Compensation Account in Centenary Bank. • I observed that despite the training, the district disaster management committees were non-functional in the trained districts as there was no evidence of regular meetings and community sensitization on disasters. • M/S Inspire Africa (U) Ltd was paid UGX.1,906,556,240 for setting up coffee shops and the attendant infrastructure in Arua, Mbale, Lira, Gulu and Tororo; however, except for Gulu, the coffee shops were either non-existent or non-operational.
11.	German Refugee Response Fund project –the scaled-up sustainable domestic water supply and sanitation service infrastructure in rhino camp refugee settlement, Arua district, Northern Uganda <u>Opinion</u> Unqualified	• No reportable issues
12.	Uganda Refuge response fund -OPM <u>Opinion</u>	• No reportable issues

	Unqualified	
13.	German Refugee Response Fund project –education infrastructure enhancement for South Sudanese refugees and host communities in Bidi bidi Opinion Unqualified	• No reportable issues
14.	Enhancing National Food Security Through Increased Rice Production Project (ENRP) June 2021 Opinion Unqualified	• The budget absorption rate for the project during the year under review was 3%, which is considerably low, despite the fact that the project is about to end. This implies that most activities budgeted for were not carried out, which may lead to failure to complete the project in the planned time frame. However, I note that management sought and obtained a no-cost extension for two years from the Islamic development bank, which will enable the project to complete all the planned activities, including the major activity of the dam construction that caters for over 90% of the total project expenditure.
15.	Project for The Restoration of Livelihoods in the Northern Region (PRELNOR) Opinion Unqualified	• There was a shortfall in releases from external financing amounting to UGX.1.07Bn representing 4.3% of the approved budget. • The project had an unspent balance of UGX.1.45Bn representing an absorption level of 94%. As a result, out of the eight (8) outputs with one hundred Twenty-six (126) activities worth UGX.24.10Bn assessed, one hundred and four (104) activities were fully implemented, nine (9) activities were partially implemented while thirteen (13) activities remained unimplemented. • The project is experiencing challenges in implementing its planned activities which affected service delivery. • I noted sustainability issues regarding maintenance of the roads constructed by the project when it eventually closes. • I assessed the level of cumulative absorption of funds and noted that USD 47.3M representing 66% had been absorbed as at 30th June 2022. • During the year under review, the beneficiaries' contribution to the project was not valued, and therefore not reported on in the annual performance report and the financial statements. • Ominut of the planned five satellite markets, only two markets, namely Opit in Omoro District and Lukole in Agago District, were procured and were under construction. • During the financial year, the Programme Policy Committee only met once and not every six months as required by the project detailed design report of 2014.

16.	Ministry of Local Government Opinion Unqualified	• Out of the total receipts for the financial year of UGX.106.75Bn, only UGX.80.65Bn was spent by the entity resulting in an unspent balance of UGX.26.1Bn representing an absorption level of 75.6%. As a result, I noted that of the 40 quantified activities worth UGX.23.51Bn assessed; 16 activities representing 40% were fully implemented, 18 activities representing 45% were partially implemented, and 6 activities representing 15% were not implemented. • The Ministry experienced challenges and delays in the implementation of some activities which affected service delivery. • I observed that the MoLG did not make a budgetary provision for the settlement of court awards and compensation liabilities. • I noted that the Ministry did not have approved selection criteria and allocation guidelines for the allocation of start-up funds to the beneficiary Local Governments. Consequently, the Ministry allocated an arbitrary start-up amount of UGX.50 million to each of the beneficiary local Governments irrespective of the differences in the requirements and size of the newly created administrative units. • I noted that despite the Government commitment to co-fund projects to the tune of USD 22.89 million, only USD 8.03 million was paid, leaving USD 14.86 million outstanding. • I noted that the Ministry delayed operationalizing the Busega Market which delayed service delivery to the citizens. • I noted that the Ministry did not carry out the induction of newly elected Local Government leaders in 110 Districts and 19 Municipalities with their Lower Local Governments; only 10 Cities and 2 Districts of Mpigi and Mityana were inducted using USMID and KOICA funding, while 23 Districts had induction of only the Higher Local Government Councils • I noted that despite the submission of the cost implication two years after approval of the creation of cities, the cities are still operating on the budgets of Municipal Councils because they have not yet received funding for city status which hinders service delivery. • I noted that several Districts and Cities had not constituted Service Commissions, while others were functional but not fully constituted. • I noted that the Ministry did not have specific structures that steer and oversee ICT implementation. There was no approved IT risk management framework/policy, and risk register and there was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014.
17.	Local Economic Growth Support (LEGS) Opinion Unqualified	• I reviewed the budget performance for the project for the year and noted that out of the planned expenditure of UGX.53,057,264,072, only UGX 19,072,116,523 was spent, resulting in an absorption level of 36%. There is a risk that some key project activities may not be implemented by the end of the implementation period, which is 31st August 2023, resulting in repetitive project extensions. Ultimately impacting the achievement of the project objectives

18.	Local Economic Growth Support (LEGS) 2020/21 <u>Opinion</u> Unqualified	• The project is yet to recover outstanding advances of US$ 1,208,100 in respect of ineligible payments made by the Microfinance Support Centre. • The Project Steering Committee did not conduct any meeting during the year under review contrary to the requirements of the project appraisal document that requires the committee to meet on a biannual basis. • The project procured coffee and vanilla seedlings worth UGX.1,499,000,000 which were not included in the procurement/work plan for the year ended 30th June 2021. • Through field inspection in Alebtong district, I observed that some farmers received less coffee seedlings than those indicated in the distribution records held by Alebtong district local government. From a total of 12,100 seedlings sampled from the distribution lists, only 2670 seedlings where acknowledged as received by the farmers and 9,430 seedlings not accounted for.
19.	Kampala Capital City Authority (KCCA). <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.313.67Bn, only UGX.303.11Bn was spent by the entity resulting in an unspent balance of UGX.13.56Bn representing an absorption level of 95.7%. However, I could not assess the implementation of all the forty-six (46) outputs worth UGX.316Bn with 137 activities since they were not quantified. • The Authority had a long-term liability of UGX.42Bn on its balance sheet from a development credit agreement entered. In addition, the entity had outstanding commitments to the tune of UGX.24.98Bn at the year-end and unremitted statutory deductions amounting to UGX.4.107Bn • The Authority delayed the commencement of the Kampala Rehabilitation project by eleven (11) months after the intended effectiveness date. • The entity incurred Nugatory expenditure -Interest on delayed payments worth UGX.94m • The Authority managed to recover only UGX.1.46Bn out of UGX.4.628Bn YLP funds disbursed to the youth groups since the programme's inception. • I noted that the Authority had not yet come up with the regulations to operationalize the 2019 outdoor ordinance as such, could not collect revenue from outdoor advertising activities. • I noted that 928 schools out of 1,927 were not registered with KCCA representing 48%, while provisional licenses for 102 schools out of the 134 schools with provisional licenses had expired, implying that the schools were operating illegally. • I noted that Capital City Public Accounts Committee (PAC) had not been established, as I was not provided evidence of its existence and functionality. • Despite 2022 being the final year (expiry of the ten years) of implementing the Consultancy recommendations on KPDP, the Authority had not prepared an implementation and evaluation report to evaluate the plan's performance.

		• I noted gaps in the implementation of the Parish Development Model, such as the absence of work plans, failure to fund SACCOs and contradicting PDM implementation guidelines. • The Authority did not provide a sufficient budget for the settlement of court compensation/liabilities, and there were no criteria to guide the settlement of the arrears.
20.	Kampala Institutional and Infrastructure Development Project (KIIDP). 2020/21 <u>Opinion</u> Unqualified	• Out of the available funds of UGX.121.3Bn, UGX.101.8Bn was spent, resulting in an unspent balance of UGX.19.5.Bn representing an absorption level of 84%. As a result, two outputs assessed with twelve (12) activities were partially implemented. • I noted that the project experienced challenges in implementing its activities which affected service delivery. • I noted that out of the 459 titles bought by KCCA, only 64 land titles, representing 14%, had been processed and ownership transferred to KCCA. • Out of 871 PAPs due for compensation under the KIIDP II Project, only 695 PAPs (80% on average) had so far been fully compensated as at the time of audit. • The Project Management spent UGX.558,001,750 to settle interest accrued on delayed payment of Interim Payment Certificates (IPC) without justification.
	PUBLIC ADMINISTRATION SECTOR	
1.	Uganda Embassy in Abu Dhabi. <u>Opinion</u> Unqualified	• The Embassy budgeted to collect NTR of UGX.1.59Bn during the financial year under review but realized UGX.0.044Bn only representing a performance of 3% of the target. The poor performance in NTR was partly attributed to unrealistic NTR projections due to the non-participation of the Embassy during the estimation of NTR by MoFPED. • The entity budgeted to receive UGX.9.99Bn out of which UGX.9.38Bn was warranted resulting into 94% release of the budgeted funds. All the total warrants received were spent representing an absorption level of 100%. • I assessed the implementation of a sample of five (5) outputs that had been fully quantified with a total of nine (9) activities worth UGX.9.30Bn and noted that three (3) outputs with four (4) activities and expenditure worth UGX.4.93Bn were fully implemented. • Two (2) outputs with five (5) activities worth UGX.4.37Bn were partially implemented. Out of the five (5) activities, the Embassy fully implemented two (2) activities and three (3) activities were partially implemented. • Funds totaling to AED 40,300.42 (UGX.40,300,420) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Embassy incurred a total expenditure on rescue accommodation of AED 201,000 (UGX.201,000,000). I noted that the Embassy is liable for any damage caused to the premises and for any nuisance acts that would arise following the admission of the distressed Ugandans and or any sickness which poses threats of potential contingent liabilities against GOU. This expenditure could have been avoided had the memorandum of understanding between

		the GOU and the Government of the United Arab Emirates in the Field of manpower and Domestic Worker Protocol been implemented and observed. • I noted that the Mission is developing a data base of Ugandans working and resident in the UAE as stated in the Strategic plan. • The Mission is renting the chancery premises at a total cost of UGX.500 million per annum which is very costly to Government in the long run. • The embassy established a Consulate in Dubai where rent is charged at a cost of AED 460,000 (UGX.460Mn) per annum. This is to facilitate the quick consular services needed to the many Ugandans. • The Consulate lacks adequate budget provision for the smooth operations of a consulate.
2.	Uganda Embassy in Abu Dhabi. 2020/21 <u>Opinion</u> Unqualified	• I noted that the entity budgeted to collect NTR of UGX.1,593,934,550 during the Financial year 2021/2021 however; only UGX.53,465,766 was collected, resulting in a shortfall of UGX.1,540,468,784 representing a 3.4% performance. Shortfall in revenue collections affects implementation of planned activities. • The entity budgeted to receive UGX. 6.112Bn which was all warranted. • Out of the three (3) outputs with a total of seven (7) activities and expenditure of UGX.6.14Bn sampled for assessment, I noted that all the three (3) outputs with a total of Seven (7) activities and expenditure worth UGX.6.14Bn were fully quantified. • I noted that 3 outputs with 7 activities worth UGX.6.14Bn were partially implemented. Out of 7 activities, the entity fully implemented 1 activity (14%) while 6 activities were partially implemented (71%) and 1 activity (14%) remained unimplemented. • I noted that funds to the tune of UGX.10,964,532 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals.
3.	The Embassy of Republic of Uganda, Cairo <u>Opinion</u> Unqualified	• I noted that the entity did not budget for NTR collection despite a communication from the PS/ST which projected the Entity's NTR at UGX.1.3Bn. However, only UGX.0.226Bn was collected. • According to the approved budget, the entity was supposed to receive UGX.4.75Bn which was all warranted/released 100%. • I noted that the Mission received UGX.4.75Bn during the financial year which was all spent, representing an absorption level of 100%. • I noted that the Embassy took a decision to directly purchase two motor vehicles, at AED. 376,094 (Approximately USD. 102,000 or UGX. 387,600,000) which had not been delivered at the time of concluding the audit exercise (December, 2022).

		• A comparison of the approved structure (07 staff) of the Mission with the staff on the ground (10 staff) indicated a non-alignment of staff to the approved and communicated structure by the Ministry of Public Service.
4.	The Embassy of Republic of Uganda, Cairo 2021 <u>Opinion</u> Unqualified	• I noted that the entity budgeted to collect NTR of UGX.2.125Bn during the year under review. Out of this, UGX.0.101Bn was collected, resulting in a shortfall of UGX UGX.2.024Bn which represents 4.75% performance. • The entity budgeted to receive UGX.3.59Bn and all of it was warranted. • I noted that three (3) outputs with a total of Seventeen (17) activities and expenditure worth UGX.3.29Bn were fully quantified, while One (1) output with one (1) activity and expenditure of UGx.0.3BN was not quantified to enable assessment of performance. • I noted that funds to the tune of UGX. 740,634,774 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • A review of the approved staff establishment of the Embassy revealed that the Embassy had an approved staff structure of 6 staff positions which were all filled. However, the Embassy had four (4) extra Staff.
5.	The Embassy of Republic of Uganda, Rome <u>Opinion</u> Unqualified	• I noted that the Mission did not budget for NTR collection despite a communication from the PS/ST which projected the Entity's NTR at UGX.0.14Bn. However, only UGX.0.013Bn was collected from processing of documents and other miscellaneous revenues. • I noted that the Mission was supposed to receive UGX5.032Bn, of which UGX.4.784Bn was warranted/released, thus representing 95.1% budget performance. • Out of the total warrants of UGX.4.784Bn received by the Mission during the financial year, UGX.4.246Bn was spent resulting in an unspent balance of UGX.0.538Bn, representing an absorption level of 88.8%. • I noted that three (3) outputs that had been fully quantified with a total of Fifteen (15) activities worth UGX.4.57Bn were partially implemented
6.	The Embassy of Republic of Uganda, Rome 2021 <u>Opinion</u> Unqualified	• I noted that the entity budgeted to collect NTR of UGX.1.594Bn during the year under review. However, this amount was not indicated in the Mission's Statement of Appropriation. Out of the estimated NTR, UGX.0.019Bn was collected, resulting in a shortfall of UGX.1.575Bn which represents 1.19% performance. • Of the total receipts for the financial year of UGX.5.032Bn, a sum of UGX.4.22Bn was spent by the entity resulting in an unspent balance of UGX.0.812Bn representing an absorption level of 84%. • Out of the four (4) outputs with a total of twenty-nine (29) activities and expenditure of UGX.4.22Bn sampled for assessment, two (2) outputs with a total of Eleven (11) activities and expenditure worth UGX.0.14Bn were fully quantified. Two (2) output with Eighteen (18) activity and expenditure worth UGX.4.08Bn were not quantified to enable assessment of performance.

		• I noted two (2) outputs with Eleven (11) activities worth UGX.0.14Bn were partially implemented. Out of the Eleven (11) activities, the entity partially implemented Five (5) activities (45%) while six (6) activities (55%) were not implemented. No activities were fully implemented.
7.	The Uganda Embassy, Ottawa <u>Opinion</u> Unqualified	• Although the Mission received all the funds amounting to UGX5.03Bn during the year, none of the outputs were fully achieved. Two (2) Outputs with six (6) activities worth UGX.4.73Bn were partially implemented. • I noted that the entity submitted all the Quarterly performance reports beyond the deadlines • Contrary to the PFMA 2015, I noted that the Mission collected revenue amounting to UGX. 195,916,665 during the period and only remitted UGX. 65,522,902 leaving the balance of UGX. 130,393,763 un-remitted. Similarly, in prior period ending 30th June 2020, the Mission collected UGX.13,091,885 and only remitted UGX.5,196,911 • I noted that outstanding commitments had increased from UGX.435,764,018 to UGX.693,780,172 at closure of the financial year most of which related to unpaid taxes and deduction on properties owned by the mission • Out of the approved 6 staff positions, 5 were filled leaving 1 vacant.
8.	The Uganda Embassy, Ottawa 2020/21 <u>Opinion</u> Unqualified	• Although the Mission received all the funds amounting to UGX5.03Bn during the year, none of the outputs were fully achieved. Two (2) Outputs with six (6) activities worth UGX.4.73Bn were partially implemented. • I noted that the entity submitted all the Quarterly performance reports beyond the deadlines • Contrary to the PFMA 2015, I noted that the Mission collected revenue amounting to UGX. 195,916,665 during the period and only remitted UGX. 65,522,902 leaving the balance of UGX. 130,393,763 un-remitted. Similarly, in prior period ending 30th June 2020, the Mission collected UGX.13,091,885 and only remitted UGX.5,196,911 • I noted that outstanding commitments had increased from UGX.435,764,018 to UGX.693,780,172 at closure of the financial year most of which related to unpaid taxes and deduction on properties owned by the mission • Out of the approved 6 staff positions, 5 were filled leaving 1 vacant.
9.	Uganda Embassy in Abuja <u>Opinion</u> Unqualified	• A sum of UGX.245,782,986 relating to foreign exchange gain was not transferred to the UCF contrary to section 30 (1) of PFMA, 2015. The funds were spent on the movement of 5 officers arising from posting and transfer and recalls which happened in one year. • The Embassy budgeted to receive UGX.5.609Bn out of which only UGX.5.406Bn was received leaving a balance of UGX.0.195Bn thus affecting implementation of planned activities. • I noted that four (4) outputs that were fully quantified with a total of twelve (12) activities worth UGX.5.628Bn had 6 activities that were full implemented, 5 activities were partially implemented and 1 activity that was not implemented during the year non or partial implementation of activities affected some delivery.

		- UGX.18,600,672 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. - The Embassy only paid UGX.3,095,724,757 (12.5%) and not UGX.4,820,729,056 (20%) agreed in signed contract as advance payment to a firm for construction works at Abuja Chancery plot. If this is to continue, this is likely to result into litigation and financial loss. - A review of the asset register, Board of Survey report and inspection of HOM residential house revealed that there were 18 unserviceable items that were not disposed as required. - I noted that the Embassy's capital development budget was inadequately funded yet UGX1.35Bn is urgently needed to procure various items to fund urgent operations. - E-Visa approval for travelers to Uganda was handled by Immigration office in Kampala without the input of Embassy of Uganda in Nigeria. This poses various risks to Uganda and Nigeria Governments on security issues.
10.	Uganda Embassy in Abuja, 2020/21 <u>Opinion</u> Unqualified	- Out of the total receipts for the financial year of UGX.20.845Bn, UGX.20.239Bn was spent by the entity resulting in an unspent balance of UGX.0.455Bn representing an absorption level of 97.8%. As a result, I noted that of the thirteen (13) quantified outputs worth UGX.18.3Bn assessed; eight (8) outputs were fully implemented and five (5) outputs were partially implemented. - The Commission received off-budget financing totalling to UGX.1.15Bn from five (5) development partners during the year. - I noted significant delays in the investigation of cases hence affecting the disposal rate of human rights cases. - I carried out inspections of regional offices of Jinja and Mbarara and noted that in the last two years, only one (1) tribunal meeting was held in Jinja and none in Mbarara. - I reviewed the management of land and noted that all five (5) pieces of land owned by the entity were not recorded in the GFMIS fixed assets module, the entity did not have a land tiltle for one piece of land for Gulu regional office, titles for four (4) pieces of land had not been transferred into the custody of the Uganda Land Commission and one piece of land in Masaka (Old Kumbu, Masaka Municipality) measuring approximately 0.0620 hectares belonging to the Commission was not in use. - UHRC had outstanding domestic arrears of UGX.290,507,036 as at 30th June 2022 - I reviewed the management of ICT and noted that the Commission has failed to dispose off old IT items for 4 to 10 years. - The Commission had no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014.
11.	Uganda Embassy in Ankara	The Embassy had an approved NTR budget of UGX.0.02Bn but only UGX.0.011Bn was collected, resulting in a shortfall of UGX.0.009Bn which represents a performance of 55% thus affecting the entity's activities.

	Opinion Unqualified	• The Embassy budgeted to receive UGX.5.877Bn, UGX. 5.418Bn was released resulting into a shortfall of UGX.0.459Bn representing a shortfall of 8% of the budget. • I noted that four (4) outputs that were fully quantified with a total of nine (9) activities worth UGX.5.363Bn had 5 activities that were full implemented,2 activities were partially implemented and 2 activities that was not implemented during the year non or partial implementation of activities affected service delivery. • The Embassy submitted performance report for Q4 after the deadline given for submission of the reports contrary to the circular standing instruments thus affecting timely evaluation of performance.. • Out of approved staff structure of 8 staff positions, only 6 were filled leaving 2 positions vacant thus overloading the available staff time. • I noted that the Embassy's capital development budget was inadequately funded. • The Embassy has not procured a Chancery despite having planned to procure one.
12.	Uganda Embassy in Ankara 2020/21 Opinion Unqualified	• The Embassy had an approved NTR budget of UGX.1.594Bn but only UGX.0.0162Bn was collected, resulting in a shortfall of UGX.UGX.1.5778 which represents 1.02% performance thus affecting the entity's activities. • I noted that three (3) outputs that were fully quantified with a total of eight (8) activities worth UGX.4.13Bn had 4 activities that were fully implemented, 1 activity was partially implemented and 3 activities that were not implemented during the year the embassy may fail to achieve the purpose for which it exists. • UGX.38,516,920 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Embassy submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports contrary to the circular standing instruments thus affecting timely evaluation of performance. • I noted that the Embassy's diplomatic activities were inadequately funded leaving a number of activities unimplemented. • Out of approved staff structure of 8 staff positions, only 6 were filled leaving two positions vacant thus overloading the available staff time. • I noted that the Embassy's capital development budget was inadequately funded and this has affected activities that require constant travels.
13.	Uganda Embassy in China, Beijing Opinion Unqualified	• I noted that the entity budgeted to collect NTR amounting to UGX. 0.19Bn during the year under review. Out of this, only UGX.0.014Bn was collected, representing a performance of 7.4% of the target.

		• According to the approved budget, the entity was supposed to receive UGX.6.280Bn out of which UGX.5.860Bn was warranted, resulting in a shortfall of UGX.0.420Bn. The shortfall represents 6.7% of the approved budget. • I assessed the implementation of all the four (4) outputs that had been fully quantified with a total of twenty (20) activities worth UGX.6.280Bn and noted that; One (1) output with one (1) activity and expenditure worth UGX. 0.3Bn was fully implemented. Three (3) outputs with nineteen (19) activities worth UGX.5.98Bn were partially implemented.
14.	Uganda Embassy in China, Beijing 2020/21 <u>Opinion</u> Unqualified	• I noted that the entity did not budget to collect NTR during the year under review but collected UGX.9.831 million during the year. • The entity budgeted to receive UGX.4.98Bn out of which UGX.4.98Bn was warranted, implying 100% release of the budget. All the funds received were absorbed. • I assessed the implementation of three (3) outputs that were fully quantified with a total of 7 activities worth UGX.4.981bn and noted that out of 7 activities, the entity fully implemented 1 activity (14%), 3 activities were partially implemented (43%) while 3 activities (43%) remained unimplemented. • I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission of the reports.
15.	Uganda Embassy in Berlin <u>Opinion</u> Unqualified	• I noted that several Out puts in the Strategic plan are not included in the Annual work plan and vice versa. In addition some annualised targets in the strategic plan were different from those in the annual work plan. • I noted that although the Mission had not budgeted to collect NTR during the year under review, an amount of UGX.39,346,556 was recognized in the financial statements • One (1) output (HIV/AIDS Mainstreaming) with a total of nineteen (19) activities and expenditure worth UGX. 0.566Bn were insufficiently quantified. I observed that out of the nineteen (19) activities, five (5) activities (26%) were quantified while fourteen (14) activities (74%) were not clearly quantified to enable assessment of performance. • Out of 25 quantified activities, 7 activities (28%) were fully implemented, 9 activities (36%) were partially implemented while 9 activities (36%) remained unimplemented. • I noted that €202,700 had been diverted to implement activities other than the activities for which they were budgeted. • the Mission has not had any approved Charter by the Minister of Foreign Affairs since 2014. This is despite the fact that the finance committee meeting held on 24th February 2022 agreed on development of a Mission Charter. • Despite the Mission in Berlin being mandated to promote and protect Uganda's national interests in Germany, Austria, Czech Republic, Poland, Hungary, the Vatican, Slovakia, Bulgaria, and Romania and with the United Nations

		Agencies in Bonn, Hamburg and Vienna, by the time of audit the Ambassador had only been accredited in Germany alone.
16.	Uganda Embassy in Berlin 2021 <u>Opinion</u> Unqualified	• Although all the funds were received during, the Mission did not achieve all the outputs. Five (5) out of seven (7) strategic outputs from the strategic plan were partially achieved • Out of the total receipts for the financial year of UGX. 5.77Bn, UGX.5.72Bn was spent by the entity resulting in an unspent balance of UGX.0.05Bn • One (1) output with a total of four (4) activities and expenditure worth UGX.1.17Bn were insufficiently quantified. I observed that out of the four (4) activities, three (3) activities (75%) were quantified while one (1) activity (25%) were not clearly quantified to enable assessment of performance. • 2 outputs with 13 activities worth UGX. 4.55Bn were partially implemented. Out of 13 activities, 3 activities were partially implemented (23%) while 10 activities (76.9%) remained unimplemented. • From a sample I noted that UGX.221,106,545 had been diverted from other activities to pay medical expenses. • I noted that the fixed assets register maintained by the entity was not updated. A number of assets in the BoS Report such as the saloon cars, desktop computers, laptops, printers, servers, photocopiers were not included in the Assets register. • A review of the approved staff establishment of the mission in Germany revealed that although the Mission had an approved staff structure of 6 staff positions the actual staff positions filled were 9 (150%) resulting in an excess of 3 • Contrary to the Public standing orders, the Mission paid EUR 14,921 (UGX.63,352,611) in respect to educational allowances to staff without children accompanying them at the Mission. • Although the entity had an approved Procurement Plan, procurements worth UGX.286,095,641 for Medical Insurance, were undertaken outside the approved procurement plan. • I noted that 2 procurements for Heating Oil were undertaken using the request for quotation, and direct procurement method, without a clear justification for the direct procurement method.
17.	Uganda Embassy in Brussels <u>Opinion</u> Unqualified	• The embassy budgeted to collect NTR of UGX.0.4Bn during the year under review. Out of this, only UGX.0.0085Bn was collected, representing a performance of 2.1% of the target. • The budgets for four (4) outputs assessed were not supported by individual activity costings/budgets. • I assessed the four (4) outputs that had been fully quantified with 19 activities worth UGX.1.130Bn and noted that; One (1) output with one (1) activity and expenditure worth UGX.0.170Bn were fully implemented; One (1) output with sixteen (16) activities worth UGX.0.80Bn were partially implemented. All the sixteen (16) activities, were partially implemented, while Two (2) outputs with two (2) activities worth 0.160Bn was not implemented at all.

		• the Mission did not maintain a detailed risk register of risks that may affect the implementation of activities as detailed in the approved work plans and budget. • the mission had an accumulated unspent balance of UGX. 170,862,053 which had not been transferred to the consolidated fund. • funds to the tune of Euro. 14,238.10 (equivalent to UGX 56,952,400) were irregularly diverted from allowances and paid for installation of a gate at the official residence without seeking and obtaining the necessary approvals. • State of the embassy Assets ; the Official residence requires more repairs ;an empty plot of land within the prime area of the city in Brussels measuring approximately more than 1.0 acres needs to redevelop to save on the high annual rental expenses incurred on staff accommodation
18.	Uganda Embassy in Brussels 2020/21 Opinion Unqualified	• The embassy budgeted to collect NTR of UGX.1.594 Bn during the year. However only UGX.0.387 Bn was collected, resulting in a shortfall of UGX.1.207Bn which represents 2.43% performance. • 3 outputs with 7 activities worth UGX.5.423Bn which were fully quantified, were partially implemented. Out of 7 activities, the entity fully implemented 1 activity (14.3%), 2 activities were partially implemented (28.6%) while 4 activities (57.1%) remained unimplemented. • UGX. 31,521,823 (Euro 8,168.18) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Embassy land measuring approximately 1 acre is un-occupied and not under use. However, the mission incurred costs to a tune of approximately UGX. 29,254,486 (Euro 7,580.65) on its maintenance during the year without any returns.
19.	Uganda Embassy in Juba Opinion Unqualified	• I noted that the entity did not budget for NTR during the year under review, however UGX.453,110,497 was collected as NTR during the period. • According to the approved budget, the entity was supposed to receive UGX.9.31Bn out of which UGX.9.31Bn was warranted, resulting in 100% funding of the budget. Out of the total warrants of UGX.9.311Bn received during the financial year, UGX.9.01Bn was spent by the entity resulting in an unspent balance of UGX.0.3Bn representing an absorption level of 96.7%. • I assessed the implementation of a sample of three (3) outputs that had been fully quantified with a total of four (4) activities worth UGX.0.85Bn and noted that; One (1) output with one (1) activity and expenditure worth UGX.0.3Bn were fully implemented, two (2) outputs with three (3) activities worth UGX.55Bn were partially implemented. Out of the three activities, two (2) activities were partially implemented and one (1) activity was not implemented. • I reviewed the financial statements and affairs of the Embassy for the underlying period, and noted a balance of UGX.335,754,842 as cash in transit which has been in the books of the embassy for more than five financial years.

20.	Uganda Embassy in Juba 2020/21 <u>Opinion</u> Unqualified	• I noted that the entity budgeted to collect NTR of UGX.3.188Bn during the year under review. Out of this, only UGX.0.416Bn was realized, representing a performance of 13% of the target. • According to the approved budget, the entity was supposed to receive UGX.13.759Bn, out of which UGX. UGX.13.759Bn was warranted, resulting in 100% funding. • I observed that all the four (4) outputs with a total of eighteen (18) activities and expenditure worth UGX.13.77Bn were fully quantified. • I assessed the implementation of four (4) outputs that were fully quantified with a total of 18 activities worth UGX..13.77Bn and noted that; One (1) output with 1 activity worth UGX.9.08Bn was fully implemented, two (2) outputs with 14 activities worth UGX.0.796Bn were partially implemented while one (1) output with a total of three (3) activities and expenditure worth UGX.3.89Bn were not implemented at all. • I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission of the reports.
21.	Uganda Embassy in Bujumbura <u>Opinion</u> Unqualified	• I noted that the Mission had an NTR budget of UGX.0.5Bn for the financial year however UGX 0.8Bn was realised above the target. • The Mission had a budget for GoU funding of UGX. 9.2Bn for the year however UGX 9.6Bn was warranted which was over and above the budget. All the warranted funds were utilized. • I observed that the budgets for three (3) out of the eight (8) outputs assessed were not supported by individual activity costing/budgets. • The Mission had challenges in setting clear and appropriate performance indicators in the approved work plans and budgets. Some of the indicators used were generic and in some cases activities did not have performance indicators at all. • I noted that the Embassy did not maintain a detailed register of risks and as such, there were no strategies and officers responsible for ensuring risks did not materialize.
22.	Uganda Embassy in Bujumbura 2020/21 <u>Opinion</u> Unqualified	• Out of a sample of eight (8) strategic activities/targets for the year from the strategic plan, five (5) targets were partially achieved, and three (3) targets were not achieved by the end of the year. • The entity collected only UGX.250,911,619 out of the budgeted NTR of UGX.3.188 Bn during the year under review, resulting in a shortfall of UGX.2,937,088,381, which represents 8% performance. • The entity budgeted to receive UGX.3.286Bn, which was all warranted/released. This reflects a performance of 100% of the budget.

		• The embassy did not fully implement the four planned outputs. Out of the four (4), only one (1) output with one activity worth UGX.0.5Bn was fully implemented, and the three (3) outputs with twelve (12) activities worth UGX.2.75Bn were partially implemented. • The embassy did not remit unutilised end-of-year balances amounting to UGX.31,649,399 to the Treasury for onward transfer to the Consolidated Fund. • The entity irregularly paid UGX.402,208,624 (BIF.223,797,365) out of imprest on activities such as air tickets, salaries, rent, security deposits and purchase of capital items, which are not small incidental expenditures such as postage and other office costs as guided by the Treasury Instructions 2017. And did not prepare a reconciliation of the Petty Cashbook and a Petty Cash Replenishment Request form.
23.	Uganda High Commission Canberra <u>Opinion</u> Unqualified	• Contrary to the requirements of the circular, the Uganda High Commission, Canberra had a Mission Chatter for 2021/2022 which was not aligned to the Mission's Strategic Plan 2020/21 - 2025. As a result the budget for the same financial year was also not aligned to the strategic objectives in the Strategic Plan. • I noted that according to the Medium-Term Expenditure Framework (MTEF) projections, only UGX.23.08 was allocated to the High Commission over the five years, mainly for wage and non-wage (recurrent) spending • The approved structure of the High Commission considers only the Head of Mission and the graded as Foreign Service Officers. Other officers who are posted and work at the High Commission such as the Financial and the Administrative Attaches were not included in the approved structure of the High Commission. • I established that the High Commission paid a total of AUD 48,551.57 during the financial without separating what related to normal power use and the portion meant for cooling/heating. This is irregular and affects implementation of other planned activities of the High commission. • I noted that MOFA released AUD.1,068,219.79 (UGX.3.00Bn) to the High Commission in excess of the required commitment of AUD 320,000 for the Acquisition of the Chancery by Government of Uganda. The excess of AUD 748,219.79 was deposited with Lawyers under an Escrow Account in the bank. However, this excess amount was wrongly expensed during the year instead of recognizing it as cash and cash equivalents on the escrow Account.
24.	Uganda High Commission Canberra 2020/21 <u>Opinion</u> Unqualified	• I noted that the mission finalised the preparation of the strategic plan for the period 2020/2021-2024/2025. However, the strategic plan was approved on 27th September 2021 after the end of the financial year under audit. • I noted that funds to the tune of AUD.10081.38 (UGX.27, 161,455) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I noted that the Mission spent UGX.171, 287,858 on medical refunds and other medical expenses to its staff during the financial year. Out of the total refunds paid, the insurance refunded only the qualifying amount of UGX.72,880,522

		• During the audit, I noted that the Mission spent UGX.82, 251,459 on electricity/gas expenses for Staff. However, I could not determine personal bills for officers and bills accruing to the government. I was therefore unable to establish the actual expenses spent on electricity for government business.
25.	Uganda Embassy in Algiers <u>Opinion</u> Unqualified	• The entity collected NTR of UGX. 11,623,722 out of the budgeted UGX. 210m during the financial year under review representing a performance of 5.5% of the target. • The entity received warrants amounting to UGX.4.4098Bn out of the budgeted UGX.4.886Bn resulting in a shortfall of UGX. 0.477Bn representing a 9.7% of the approved budget. All the funds received were however fully absorbed. • I assessed the extent of implementation of the only output that was well quantified and noted that this out-put was partially implemented. Out of the nine (9) activities, the mission fully implemented two (2) activities (22%), while seven (7) activities (77%) were not implemented at all. • I noted that the signatories to the Mission Accounts were not as per the guidelines given by the Accountant General.
26.	Uganda Embassy in Algiers 2020/21 <u>Opinion</u> Unqualified	• During the review, I noted that the Mission did not have a strategic plan that was well aligned to the NDP-III • The Mission had an NTR budget of UGX2.125Bn out of which only UGX. 939,989 was collected representing a performance of 0.04%. Shortfalls in NTR performance affect service delivery. • I assessed a sample of three outputs with 28 activities worth UGX 3.89Bn. Two of the outputs with 17 activities were fully quantified while one output with 11 activities was partially quantified. • I assessed the implementation of the two quantified outputs and noted that all of them were partially implemented.
27.	Uganda Embassy in Tehran, 2021/22 <u>Opinion</u> Unqualified	• I noted that the mission did not budget for NTR for year under review and as such no NTR was collected. • According to the approved budget, the mission was supposed to receive UGX.4.14Bn out of which UGX 3.66Bn was received. All the funds that were received were absorbed. • I assessed the implementation of a sample of three (3) outputs that had been fully quantified with a total of eighteen (18) activities worth UGX.4.14bn and noted that all the out-puts were partially implemented. Out of the 18 activities worth 4.14 Bn assessed, 8 (44%) activities were fully implemented while 10 (66%) activities were not implemented at all. • The Mission accumulated domestic arrears of UGX 157,418,581 during the year contrary to the Treasury Instructions. • During the year under review, the mission spent UGX.1,296,080,389, on rent which is 34.2% of the total expenditure for the year of UGX.3, 795,208,084.

28.	Uganda Embassy in Tehran, 2020/21 <u>Opinion</u> Unqualified	• The mission did not budget to collect NTR during the year under review. However, the entity collected UGX. 825,385. • The mission budgeted to receive UGX.3.84Bn all of which was warranted and absorbed • I noted that the mission had sufficiently quantified all the outputs and activities for year. I assessed the implementation of these out-puts and noted that One output with five activities (5) was worth UGX 0.76Bn was fully implemented while two outputs worth 3.068Bn with sixteen (16) activities were partially implemented. • The Mission submitted performance reports for Q1, Q2, Q3, Q4 however there was no evidence for submission before elapse of the deadline.
29.	Uganda High Commission in Dar es Salaam. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.5,301Bn, UGX.5,758Bn was spent by the entity resulting in over-expenditure of UGX.0.457Bn representing an absorption level of 109%. As a result, I noted that of the 21 quantified activities worth 5.76Bn assessed; 2 activities representing 6%, were fully implemented, and 19 activities representing 94 %, were partially implemented. • The Mission did not return to the consolidated fund unspent balances for the prior year, totalling to USD.63,345.76, an equivalent of UGX.222,343,617.6. Management instead used the funds for meeting extra-budgetary expenditures.
30.	Uganda High Commission in Dar es Salaam. 2020/21 <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.5.32Bn, UGX.5.01Bn was spent by the entity resulting in an unspent balance of UGX. 0.31, representing absorption level of 94.7%. • I assessed the implementation of four (4) outputs with a total of twelve (12) activities worth UGX. 4.41Bn and noted that one (1) output with three (3) activities worth 3.75Bn was fully implemented, and one (1) output with six (6) activities worth UGX.0.410Bn was partially implemented (i.e Out of the six activities, the entity fully implemented two (2) activities, and four (4) activities remained unimplemented) and two (2) outputs with three activities worth 0.24Bn were not implemented at all. • The entity procured several items that were not on the Mission's approved procurement plan. Out of the seven (7) procurements sampled, there was no evidence of evaluation done and there were no contract managers. • The embassy spent USD 4.877.00 (UGX. 17,308,814.4) on refunds for medical expenses to its officers yet the Public Service Standing Orders, 2010, requires Foreign Service Officers to be covered by full medical insurance. • The Embassy paid UGX.78,079,540 to its officials for educational allowances instead of paying educational Institutions or Schools.
31.	Uganda High Commission in Doha. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year under review of 3.183Bn, UGX 3.026Bn was warranted, representing an absorption rate of 95.06 % of the approved budget.

		• Three (3) outputs with thirteen (13) activities worth. 3,183Bn were partially implemented. Out of the thirteen (13) activities, the entity fully implemented two (2) activities; nine (9) activities were partially implemented, while two (2) activities remained unimplemented. • The embassy did not have a substantive Contracts committee during the year under review.
32.	Uganda High Commission in Doha. 2020/21 <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.3.18Bn, UGX.2.99Bn was spent by the entity resulting in an unspent balance of UGX.0.19Bn, representing an absorption level of 94.02%. • I assessed the implementation of three (3) outputs with a total of eleven (11) activities worth UGX.2.99Bn and noted that three (3) outputs with eleven (11) activities worth UGX.2.99Bn assessed were partially implemented. Out of the eleven (11) activities, the entity fully implemented five (5) activities, four (4) activities were partially implemented, and two (2) activities were not implemented. • The embassy submitted its performance reports for Q1, Q2, Q3, and Q4 after the deadline given for submission of the reports. • The embassy did not populate the summary statement of stores and other assets as required by the PFMA 2015. • I noted that some procurements carried out were not included in the procurement plan. • The Mission did not have a substantive Contracts committee in place during the year under review. • The embassy has an approved structure of 15 positions, out of which 9 were filled, resulting in a shortfall of 6 (representing 40%).
33.	Uganda High Commission in Geneva. <u>Opinion</u> Unqualified	• Out of the receipts of UGX.8,306,181,223 from the consolidated fund, UGX.7,818,929,021 was spent implying absorption rate of 94%. UGX.487,252,202 (6%) was an unspent and subsequently returned to the consolidated fund. • Out of seven priority areas prescribed in the mission charter only three (3) areas were quantified. Failure to quantify activities constrained evaluation of performance. • The Geneva mission incurred a total of CHF 259,200 (UGX.1,015,690,752) on annual rent comprising CHF 157,200 for the chancery and CHF 102,000 for the official Residence. Mortgage financing could help the mission acquire its own property if well negotiated and hence minimize rental costs. • Whereas the staffing structure provides for the position of Foreign Service Officer (FSO) Grade III, it was not filled. It was further noted that there is no provision for FSO II and yet it is filled while three (3) FSOIV are in place and yet the structure provides for only one(I). Unharmonized staffing presents a challenge for budget management.
34.	Uganda High Commission in Geneva. 2020/21 <u>Opinion</u>	• Out of the total receipts for the financial year of UGX.7.24Bn, UGX.6.83Bn was spent by the entity resulting in an unspent balance of UGX.0.41Bn representing an absorption level of 94.3%.

	Unqualified	• I noted that funds to the tune of USD.17,463.62 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Out of the three (3) outputs with a total of nine (9) activities and expenditure of UGX.7.24Bn sampled for assessment, I observed that all the activities were not clearly quantified to enable assessment of performance. • Out of the approved staff positions, 4 (57%) were filled leaving 3 (43%) vacant.
35.	Uganda Consulate in Guangzhou, China Opinion Unqualified	• Out of the budgeted NTR of UGX.0.04Bn for the year, only UGX.0.004Bn, was collected, representing a performance of 10% of the target. • The entity budget was UGX.7.71Bn out of which UGX.7.18Bn was received, resulting in a shortfall of UGX.0.53Bn. The shortfall represents 6.9% of the approved budget. • Out of the total available funds of UGX.7.181Bn received during the financial year, UGX.3.785Bn was spent resulting in unspent balance of UGX.3.396Bn, an absorption level of 52.7%%. Some of the unspent funds are still held on the Consulate account. • Out of the five (5) outputs that had been fully quantified with a total of eight (18) activities worth UGX.7.71Bn, one (1) output with one (1) activity worth UGX.0.151Bn was fully implemented, while three (3) outputs with eighteen (18) activities worth UGX.4.539Bn were partially implemented and one (1) output with two (2) activities worth 3.0Bn was not implemented at all.
36.	Uganda Consulate in Guangzhou, China 2020/21 Opinion Unqualified	• The entity budgeted to collect NTR of UGX.2.09Bn during the year under review. Out of this, UGX. 0.024Bn was collected, resulting in a shortfall of UGX.2.026Bn which represents 1.2% performance. • Out of the total receipts for the financial year of UGX.4.545Bn, UGX.4.286Bn was spent by the entity resulting in an unspent balance of UGX.0.26Bn representing an absorption level of 94.3%. • All the three (3) outputs with a total of seventeen (17) activities and expenditure worth UGX.4.34Bn were fully quantified. • Three (3) outputs with 17 activities worth UGX.4.34Bn were partially implemented. Out of the seventeen (17) activities, the entity fully implemented eight (8) activities (47%), 2 activities (11.7%) were partially implemented and seven (7) activities (41.1)% were not implemented. • The Mission submitted performance reports for Q2, Q3 and Q4 after the deadline given for submission of the reports.
37.	Uganda Embassy in Khartoum. Opinion Unqualified	• The embassy budgeted to collect NTR of UGX.0.02Bn during the year under review. Out of this, UGX.0.158Bn was collected, representing a performance of 790% of the target. • The embassy was supposed to receive UGX.4.129Bn from the Treasury out of which UGX.3.95Bn was warranted, resulting in a shortfall of UGX.0.179Bn which represents 95.6% of the approved budget.

		• Out of the five (5) outputs, one (1) output with one (1) activity and expenditure worth UGX.0.17Bn were fully implemented; two (2) outputs with five (5) activities worth UGX.0.83Bn were partially implemented; and two (2) outputs with three (3) activities worth 2.95Bn were not implemented. • During the year, USD.16,222.90 (equivalent to UGX.60,835,875) were charged wrongly on other expenditure item codes without obtaining the necessary approvals.
38.	Uganda Embassy in Khartoum. 2020/21 <u>Opinion</u> Unqualified	• Management partially implemented all eight (8) strategic activities/targets from the strategic plan by the end of the financial year. • Out of the budgeted NTR of UGX.3.14Bn, only UGX.0.039Bn was collected, resulting in a shortfall of UGX. 3.11Bn, which represents 1.24% performance. • All three outputs with a total of nine (9) activities and expenditure worth UGX. 3.96Bn were fully quantified. That is, all nine (9) activities (100%) within these outputs were clearly quantified to enable assessment of performance. • All three (3) outputs with nine (9) activities worth UGX.3.96Bn were partially implemented. Out of the nine (9) activities, the entity fully implemented three (3) activities (33%), One activity was partially implemented (11%), while five (5) activities (56%) remained unimplemented. • The entity submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports as indicated in the table below; • The Embassy did not transfer end-of-year balances amounting to UGX.69,209,601 to the Treasury for onward transfer to the Consolidated Fund.
39.	Uganda Embassy in Kigali. <u>Opinion</u> Unqualified	• The entity budgeted to collect NTR of UGX.80Mn during the year under review. Out of this, only UGX. 46.7Mn was collected, representing a performance of 58% of the target. • The Mission had a budget or UGX.3.3Bn which was all received and absorbed. • None of the output was fully implemented. All the three outputs sampled were all partially implemented. • During the year under review, the Mission paid rent amounting to UGX.599,992,260 which is 17.5% of the total expenditure for the year of UGX.3,300,783,813, in regard to rent which is very high. • During the year, UGX 599.9Mn was spent on rent for the official residence for the Ambassador and five other Mission staff. This constitutes 17.5% of the total mission expenditure of UGX 3.30Bn. The high administrative costs in rent reduce the amount of funds available in the budget for implementation of other activities and service delivery.
40.	Uganda Embassy in Kigali 2020/21	• The Mission budgeted to collect NTR worth 3.188Bn out of which UGX 42.0million was collected translating into a performance of 1.3%. • The mission had an approved budget of UGX 3.3Bn which was all warranted and absorbed.

	Opinion Unqualified	• I sampled three (3) outputs with a total of ten (10) activities and expenditure worth UGX.3.239Bn for assessment and noted that all the outputs were fully quantified. Out of the three out-puts, one output with 5 activities worth UGX.0.68Bn was partially implemented while the remaining two outputs with 5 activities were not implemented at all. • The entity submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission of the reports.
41.	Uganda Embassy in Kinshasa. Opinion Unqualified	• I noted that the Mission had an NTR budget of UGX.0.5Bn for the financial year however UGX 0.8Bn was realised above the target. • The Mission had a budget for GoU funding of UGX. 9.2Bn for the year however UGX 9.6Bn was warranted which was over and above the budget. All the warranted funds were utilized. • I observed that the budgets for three (3) out of the eight (8) outputs assessed were not supported by individual activity costing/budgets. • The Mission had challenges in setting clear and appropriate performance indicators in the approved work plans and budgets. Some of the indicators used were generic and in some cases activities did not have performance indicators at all. • I noted that the Embassy did not maintain a detailed register of risks and as such, there were no strategies and officers responsible for ensuring risks did not materialize.
42.	Uganda Embassy in Kinshasa. 2020/21 Opinion Unqualified	• I noted that the Mission finalized the preparation of the strategic plan for the period 2020/2021-2024/2025. However, this had not yet been approved by the National Planning Authority. • I noted that the entity budgeted to collect NTR of UGX.2.125Bn during the year under review, out of this, UGX.0.669 was collected representing 31.48%, resulting in a shortfall in performance of UGX. 1.456Bn (68.52%). • The entity budgeted to receive UGX.7.46Bn and all of it was warranted resulting into 100% budget release. Out of these releases UGX.7.26Bn was absorbed leaving unspent balance of UGX.0.199Bn. • I reviewed the extent of quantification of the seven (7) outputs with a total of thirty-four (34) activities and expenditure of UGX.7.46Bn and noted that none of the outputs was fully quantified. • I noted that reports for Q1, Q2 and Q3 quarters were submitted after the lapse of the deadline for submission.
43.	Uganda High Commission in Kuala Lumpur. Opinion Unqualified	• During the year under review; the Mission had an approved budget of UGX.3.712Bn out of which UGX.3.56Bn was warranted and all the funds spent. • The Mission budgeted to collect NTR of UGX.9,843,762 which was fully realized representing a performance of 100% of the target.

		• The Mission planned to receive UGX.3.712Bn out of which UGX.3.562 was warranted resulting in a shortfall of UGX.150M that represents 4% of the approved budget. The unwarranted funds were meant for Presentation of credentials to Cambodia, Laos-PDR and Myanmar and Commercial diplomacy activities. • I noted that the entity did not seek a revision of its budget, and the work plan as provided for by section 17 (3) of the PFMA 2015. • Out of the total warrants of UGX.3.562Bn received during the financial year under review, UGX.3.53Bn was spent by the entity resulting in an absorption level of 99%. • I assessed the implementation of four (4) outputs that were fully quantified with a total of fifteen (15) activities worth UGX.3.557Bn and noted that all the four (4) outputs with fifteen (15) activities worth UGX.3.557Bn were partially implemented. Out of the fifteen (15) activities, the entity fully implemented eight (8) activities; six (6) activities were partially implemented, while one (1) activity remained unimplemented. • The Mission did not implement some planned activities such as Presentation of Credentials to Cambodia, Laos-PDR and Myanmar, FDI of US $ 27.3M was not attracted to Uganda against the set target of USD 100M, One (1) Bench marking study visit was not coordinated while 10 out of 12 official delegations were not coordinated. • I noted that the Mission did not maintain a detailed risk register of risks which may affect the implementation of activities as detailed in the approved work plans and budgets. There were no strategies and officers responsible to mitigate the occurrence of such risks. • The approved staff Structure of the Mission provides for five (5) staff however, I noted that the Mission is understaffed with a Human Resource capacity of three (3) (60%) Home-based Staff while (2) (40%) positions of FSO 111 and FSO V were not filled. I also noted that the position of FSO 11 that was not provided for in the structure was filled.
44.	Uganda High Commission in Kuala Lumpur. 2020/21 <u>Opinion</u> Unqualified	• The Mission had an approved budget of UGX.3.54 Bn that was all released for the financial year 2020/2021. The Embassy planned to achieve its deliverables through implementation of three (03) main outputs worth UGX.3.51Bn, representing 99% of the total budget. • The mission did not achieve all the targets set in the mission statement for the period under review. Out of eight (8) strategic activities/targets; four (4) objectives were fully implemented, three (3) were partially achieved while one (1) was not achieved at all by the end of the financial year. • I noted that the Embassy budgeted to collect NTR of UGX.11.8Million which was all realized representing a performance of 100%. • The Mission budgeted to receive UGX.3,542,140,000 out of which UGX.3,542,139,217Bn was warranted representing 99.9% of the budget. • Out of the total receipts for the year of UGX.3.542,Bn, UGX.3.390Bn was spent resulting in an unspent balance of UGX.0.151Bn representing an absorption level of 96%. The unspent balance of UGX.45,545,945 (MYR 55,065.88)

		was returned to the Consolidated Fund while foreign exchange loss of UGX.115,988,734 was incurred during the period. • Three (03) outputs with a total of fourteen (14) activities and expenditure worth UGX.3.51 were clearly and fully quantified to enable assessment of performance. • I noted that three (03) outputs with a total of fourteen (14) activities worth UGX.3.51Bn were partially implemented. Out of fourteen (14) activities, six (6) representing 43% of the activities were fully implemented; three (3) activities (21%) were partially implemented while five (5) activities (36%) were not implemented. • The activities that were not fully implemented included; 10 planned scholarships, Presentation of Credentials to Cambodia, Laos-PDR and Myanmar, 3 bilateral engagements and 12 planned official delegations. • The Mission submitted performance reports for Q1, Q2 and Q3 after the deadline given for submission of the reports and the level of performance was consistent with my review of other comparative information and reports.
45.	Uganda High Commission in London. Opinion Unqualified	• The Mission continues to experience funding challenges, with several of its planned activities in the strategic plan not adequately funded as planned. Of specific concern is the absence of funding to undertake urgent repairs on the Mission properties (Chancery, Official residence and the Rentable structure on Wardour Street), which continue to increase the eventual repair costs given that they continue to further degenerate with severe weather conditions. The continued underfunding implies that the Mission will face challenges in implementing all the planned activities which may in turn impact on the attainment of the intended goals. • The Mission did not budget to collect any Non-Tax Revenue (NTR) during the year under review, although a total of UGX.769.6Mn was collected. Failure to budget for such NTR implies that there was no target upon which the Mission's performance could be evaluated. • The Accounting Officer did not appoint contract managers for the procurements worth GBP.113,788 (equivalent to UGX.522Mn) during the year under review. Failure to appoint contract managers is irregular and may lead to challenges in contract implementation going un detected by management, in the absence of close supervision of the performance of such contracts. • The Mission did not procure a medical insurance provider during the year under review, and mission staff would obtain treatment from health facilities and claim refunds upon presentation of receipts. This practice is contrary to the requirements by the public service standing orders.
46.	Uganda High Commission in London. 2020/21 Opinion Unqualified	• The Accounting Officer did not appoint contract managers for the procurements worth GBP.58,231 (equivalent to UGX.287Mn) during the year under review. Failure to appoint contract managers is irregular and may lead to challenges in contract implementation going un detected by management, in the absence of close supervision of the performance of such contracts. • The Mission did not procure a medical insurance provider during the year under review, and mission staff would obtain treatment from health facilities and claim refunds upon presentation of receipts. I further noted some payments for medical bills were not supported by prescriptions from a doctor, as required by the Public Service

		Standing Orders. This practice exposes the Mission to a risk of misuse, since there are no controls regarding the kind of medical attention provided to staff, eligibility, as well as receipts presented by staff.
47.	Uganda Embassy in Mogadishu. Opinion Unqualified	• The entity did not budget to collect any NTR during the year under review however they were able to collect UGX. 1,127,805. • The entity budgeted to receive UGX.4.876Bn out of which UGX. 4.743Bn was warranted, resulting in under funding of UGX.0.133Bn. This represents 2.73% of the approved budget. • I assessed the implementation of the one output that had been fully quantified worth UGX.2.546Bn and noted that the output was partially implemented.
48.	Uganda Embassy in Mogadishu. 2020/21 Opinion Unqualified	• I noted that the Embassy did not budget to collect NTR during the year under review and as such there was no collection • Out of the total receipts for the financial year of UGX.3.786Bn, UGX.3.696Bn was spent by the entity resulting in an unspent balance of UGX.0.09Bn representing an absorption level of 97.6%. • Out of the three (3) outputs with a total of four (4) activities and expenditure of UGX.3.87Bn sampled for assessment, I reviewed the extent of quantification of outputs and activities and noted that all the out-puts were quantified. • One (1) Output with one (1) activity and expenditure of UGX 1Bn was fully implemented, while the balance of two out-puts were partially implemented. • I noted that the entity submitted performance reports for Q1, Q2, Q3, Q4 after the given deadline for submission of the reports.
49.	Uganda Consulate in Mombasa. Opinion Unqualified	• I noted that the entity budgeted to collect NTR amounting to UGX.0.09Bn during the year under review. Out of this, UGX.0.0002Bn was collected, representing a performance of 0.2%of the target. • The entity was supposed to receive UGX.4.085Bn all of which was warranted representing a 100% performance of the approved budget. • I observed that the budgets for three (3) out of the five (5) outputs assessed were not supported by individual activity costing/budgets. • I noted that the Mission did not maintain a detailed register of risks that may affect the implementation of activities as detailed in the approved work plans and budgets.

		• The Consulate received the used utility vehicle from the High Commission in Nairobi (formerly used by the then High Commissioner) in the year 2015, when the Consulate was opened. The condition of the utility vehicle is particularly dire and has on numerous occasions been recommended for boarding off by our board of survey.
50.	Uganda Consulate in Mombasa. 2020/21 <u>Opinion</u> Unqualified	• I sampled Ten (10) strategic activities/targets from the strategic plan for review Six (6) strategic activities/targets were fully achieved, one(1) strategic activity/target was partially achieved and three(3) strategic activities/targets were not achieved. • The entity budgeted to collect NTR of UGX.2.125Bn during the year under review. Out of this, only UGX. 116,709 was collected, resulting in a shortfall of UGX.2,124,883,291 which represents 0.005% performance. • The entity budgeted to receive UGX.2.967Bn out of which UGX.2.967Bn was warranted and released which was 100% of the budget. • Out of the total receipts for the financial year of UGX.2.967Bn, UGX.3.008Bn was spent by the entity resulting in an over expenditure of UGX.0.041Bn representing an absorption level of 101.4%. • I noted that the Mission submitted performance reports for Q1, Q2 and Q4 after the deadline given for submission of the reports. • I noted that a sum of KES.695,000 (equivalent to UGX.23,630,000) was paid to Mission staff as working from home and risk allowances during the financial year 2020/2021. • Mission has an approved staff structure of 17 staff positions. Out of which 15 positions were filled representing 88% fulfillment.
51.	Uganda Embassy in Moscow. <u>Opinion</u> Unqualified	• I noted that the entity budgeted to collect NTR of UGX. 80,000,000 during the year under review. Out of this UGX. 31,650,301 was realized, representing a performance of 40% of the target. • According to the approved budget, the entity was supposed to receive UGX.5,606,341,048, out of which UGX.5,253,940,545 was warranted, resulting in a shortfall UGX:352,400,503. The shortfall represents 4% of the approved budget. • Out of the total available funds of UGX. 5,253,940,545 received during the financial year, UGX. 5,047,157,896 was spent resulting in an unspent balance of UGX.206,782,649, representing an absorption level of 96.%. • I assessed the implementation of three (3) outputs that had been fully quantified with a total of sixteen (16) activities worth UGX.5.61Bn and noted that; One (1) output with six (6) activities and expenditure worth UGX.3.01 had been fully implemented, one (1) output with five (5) activities worth UGX.1.81Bn had been partially implemented and the other out-put was not implemented at all.

52.	Uganda Embassy in Moscow. 2020/21 <u>Opinion</u> Unqualified	• The entity budgeted and collected NTR of 0.035Bn during the year under review, representing a performance of 100% of the target. In addition, the entity budgeted to receive UGX.4.66Bn of GoU funds, all of which was availed representing 100% of the budget. • Out of the total receipts for the financial year of UGX.4.66Bn, UGX.3.15Bn was spent by the entity resulting in an unspent balance of UGX.1.51Bn representing an absorption level of 68%. • All the three (03) outputs with a total of twelve (12) activities and expenditure worth UGX.3.66n were fully quantified. • One (01) output with a total of five (05) activities and expenditure worth UGX.0.07Bn was fully implemented. Two (2) outputs with seven (7) activities and expenditure worth UGX.3.6Bn were partially implemented. • The Mission submitted performance reports for Q1, Q2, Q3, and Q4 after the deadline given for submission of the reports.
53.	Uganda High Commission in Nairobi. <u>Opinion</u> Unqualified	• The entity budgeted to collect NTR amounting to UGX.0.4Bn during the year under review. Out of this, UGX.0.2Bn was collected, representing a performance of 50% of the target. • The entity was supposed to receive UGX.16.242Bn out of which UGX.15.621Bn was warranted, resulting in a shortfall of UGX.0.621Bn. The shortfall represents 3.8% of the approved budget. • Out of the total warrants of UGX.15.621Bn received during the financial year UGX.15.211Bn was spent by the entity resulting in an unspent balance of UGX.0.41Bn representing an absorption level of 97%. • I observed that the budgets for three (3) out of the six (6) outputs assessed were not supported by individual activity costing/budgets. • I reviewed the performance indicators in the approved work plans and observed that the indicators used to measure performance for some activities would not provide the most appropriate measure of performance. In some cases, the indicators were generic and not specific to the activity while in other cases, management did not provide indicators. • I noted that the High Commission did not maintain a detailed register of risks that may affect the implementation of activities as detailed in the approved work plans and budgets. As such, there were no strategies and officers responsible to mitigate the occurrence of such risks or to minimise the impact in the event that these risks materialised. • A review of the statement of arrears of revenues on page 33 of the financial statements revealed that the Mission had cumulative arrears of revenue as at 30 June 2022 of UGX.112,630,169 however the same was not disclosed in the statement of financial position as receivables.

		• I noted that funds to the tune of KES.1,435,892 (equivalent to UGX.44,512,665) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals.
54.	Uganda High Commission in Nairobi. 2020/21 <u>Opinion</u> Unqualified	• I sampled eight (8) strategic activities/targets from the strategic plan for review and noted that One (1) strategic activity was fully achieved, one (1) strategic activity/target was partially achieved and six (6) strategic activities/targets were not achieved. • The entity budgeted to collect NTR of UGX.3,188,000,000Bn during the year under review. Out of this, only UGX.239,009,234 was collected, resulting in a shortfall of UGX.2,948,990,766 which represents 8% performance. • I noted that the Mission submitted performance reports for Q1, Q2, Q3 and Q4 after the deadline given for submission. • I noted that the cumulative total expenditure reported in the performance reports of UGX.3.43Bn was different from the total reported in the financial statements of UGX.3.352Bn. • The Mission has an approved staff structure of 8 staff positions. Out of these 7 positions were filled representing 88% fulfillment
55.	Uganda Embassy in New Delhi. <u>Opinion</u> Unqualified	• The Mission budgeted to collect NTR of UGX.0.34Bn during the year under review however only UGX.0.012Bn was collected, representing a performance of 4% of the target. • The entity was supposed to receive UGX.4,834,538,951 which was all warranted representing 100% performance. • The entity's performance could not be measured since the work plans and budgets did not have clear performance indicators. • I noted that the rent for the mission consumed more that 10% of the budget. • I noted that the mission faces challenges in handling cases of human trafficking since no facilitation has been provided to the Mission for this purpose.
56.	Uganda Embassy in New Delhi. 2020/21 <u>Opinion</u> Unqualified	• The Mission budgeted to collect NTR during the year under review of UGX 2.65Bn. However, UGX. 0.07Bn was realised reflecting a revenue shortfall of 99.8% • The Mission budgeted to receive UGX.4.55Bn all of which was warranted and absorbed • I noted that the Mission did not have any fully quantified output as such I was unable to assess the extent of implementation. • The Mission submitted performance reports for Q1, Q2, Q3, Q4 after the deadline set by the Treasury Instructions.

		• The Mission is under staffed by 18%. Out of the approved staff structure of 22 staff positions. Only 18 positions were filled representing 82% fulfilment
57.	The Uganda Embassy in New York. <u>Opinion</u> Unqualified	• The Mission strategic plan was approved by NPA on 22/November/2021 after close of the financial year. Therefore, the activities implemented during financial year 2020/2021 were not based on the approved strategic plan. • The Mission planned to implement four (4) outputs with a total of eight (8) activities and expenditure of UGX.16.43Bn. I noted that all the four (4) outputs were not quantified to enable assessment of performance. • The Mission had receivables amounting to UGX.7.452Bn at the close of the financial year, including six (6) tenants who had not paid amounts due for rent totalling USD.0.597Mn. Delayed collection may lead to default and eventual loss of funds. • The Mission had deposits amounting to UGX.0.909Bn. Whereas the funds are transferred to the Consolidated Fund for Government revenue, the funds are a liability, returnable to the tenants and need to be secured as such.
58.	The Uganda Embassy in New York. 2020/2021 <u>Opinion</u> Unqualified	• The Mission strategic plan was approved by NPA on 22nd November 2021, after close of the financial year. Therefore, the activities implemented during financial year 2020/2021 were not based on the approved strategic plan. • The Mission planned to implement four (4) outputs with a total of eight (8) activities and expenditure of UGX.17.08Bn. I noted that all the four (4) outputs were not quantified to enable assessment of performance. • The Mission had receivables amounting to UGX.4.681Bn at the close of the financial year including six (6) tenants who had not paid amounts due for rent totalling USD.896,381 as at the end of the financial year. Delayed collection may lead to default and eventual loss of funds. • The Mission had deposits amounting to UGX.0.862Bn. Whereas at the time of collection of rental payments by tenants (which include the refundable deposits) are transferred to the Consolidated Fund as Government revenue, the funds are a liability, returnable to the tenants at the time of expiry of their rental periods, and therefore need to be secured as such.
59.	Uganda Embassy in Paris. 2021/22 <u>Opinion</u> Unqualified	• Whereas the mission targeted to handle 200 visa applications, certify 80 documents and hold 5 meetings to coordinate payment of subscription arrears regarding the bureau for international exhibitions, it was only able to handle 124 visa applications, certify 54 documents and coordinate 4 meetings implying variances of 76 applications, 26 certifications and 1 meeting. Failure to achieve the targets implies that the goal of generating revenue through promoting tourism may not be achieved. • Although the Mission charter provides for acquisition of property annually, it was noted that no property had been acquired. Instead, the Mission spent Euros 9,000 on rent of the Official residence monthly. • At the time of audit inspection the renovation works for the chancery had stalled due to delayed payments dating back to February 2022,and this exposed the Mission to extra monthly costs such as; rent for new

		Chancery;Euros.21,750, rent for Warehouse; Euros 1,571, security costs and remobilization of workers. Delayed payments may also attract penalties from the Contractor and Consultant. • Whereas the country subscribes to the Organization for Economic Cooperation and Development (OECD), it has incurred subscription arrears dating as far back as 2014 amounting to Euros 25,0139.34 an equivalent of UGX.101,183,684 as at 31 December 2021. There is a risk of prevention of certification and/or embargo on Uganda Seed exports to the European and other markets. • Review of the board of survey report and physical inspection of the mission representation car, utility van and the ICT equipment revealed that though they are due for replacement due to high maintenance costs, this had not been effected.
60.	Uganda Embassy in Paris. 2020/21 <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.8.849Bn, UGX.8.203Bn was spent by the embassy resulting in an unspent balance of UGX.0.669Bn representing an absorption level of 93%. The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. • I observed that the mission did not have an approved and certified five-year strategic plan as required. There is a risk that activities implemented during the financial year 2020/2021 were not aligned to the NDP-III, which negatively affects the achievement of NDP-III objectives. • I noted that funds to the tune of UGX.37,684,240 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals.
61.	Uganda Embassy in Pretoria. <u>Opinion</u> Unqualified	• Although the Mission did not budget for None Tax Revenue (NTR) during the financial year 2021/2022, I noted that the Mission collected UGX.86.2Mn. Failure to budget for such NTR implies that there was no target upon which the Mission's performance could be evaluated. • Out of the appropriated budgeted of UGX.6.923Bn, only UGX.3.465Bn (representing 50% of the budget) was warranted leading to inability by the Mission to undertake the majority of the planned activities. I observed that the released funds could barely cover employee costs and the majority of the planned activities were not funded. • I observed that although the Mission in Pretoria has over the years been employing local staff, there was no social security/gratuity scheme for such staff. It was further observed that although a local consultant was engaged, who compiled a valuation of how much is due for all staff (both current and those who exited), the current staff contracts have not been amended to cater for staff gratuity/social security, going forward. Such an omission exposes the Mission to risks of costly litigation and potential sanctions by the host nation.
62.	Uganda Embassy in Pretoria. 2020/21 <u>Opinion</u> Unqualified	• Although the Mission did not budget for None Tax Revenue (NTR) during the financial year 2020/2021, I noted that the Mission collected UGX.86Mn. Failure to budget for such NTR implies that there was no target upon which the Mission's performance could be evaluated. • I observed that although the Mission in Pretoria has over the years been employing local staff, there was no social security/gratuity scheme for such staff. It was further observed that although a local consultant was engaged, who compiled a valuation of how much is due for all staff (both current and those who exited), the current staff

		contracts have not been amended to cater for staff gratuity/social security, going forward. Such an omission exposes the Mission to risks of costly litigation and potential sanctions by the host nation.
63.	Uganda Embassy in Riyadh <u>Opinion</u> Unqualified	• The Embassy budgeted to collect NTR amounting to UGX.0.02Bn during the year under review but realized UGX.1.249Bn above the target by 1.23Bn • Out of the total available funds of UGX.5.278Bn received during the financial year UGX.5.062Bn was spent by the entity resulting in an unspent balance of UGX.0.216Bn representing an absorption level of 96%. The unspent funds were returned to the consolidated fund. • I assessed the implementation of all the three (3) outputs that had been fully quantified with a total of twelve (12) activities worth UGX.5.21Bn and noted that; all three (3) outputs with twelve (12) activities worth UGX.5.21Bn were partially implemented. Out of the twelve (12) activities, the entity fully implemented seven (7) activities and five (5) activities were partially implemented.
64.	Uganda Embassy in Riyadh 2020/2021 <u>Opinion</u> Unqualified	• I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/2021 and noted that the embassy budgeted to collect NTR of UGX.2.125Bn during the year under review. Out of this, UGX.0.645Bn was collected, resulting in a shortfall of UGX UGX.1.48Bn which represents 30% performance. • The mission's budget was revised from UGX 4.15Bn to 4.36Bn which was all warranted • Out of the total receipts for the financial year of UGX.4.36Bn, UGX.4.26Bn was spent by the entity resulting in an absorption level of 97.7%. • I sampled three out-puts and reviewed the work plans for quantification and observed that two (2) outputs with a total of five (5) activities and expenditure worth UGX.3.06Bn were fully quantified, one (1) output with a total of five (5) activities and expenditure worth UGX.1.08Bn were insufficiently quantified. • I noted that the entity submitted performance reports for Q1, Q2 and Q3, after the deadline given for submission of the reports.
65.	Uganda Embassy in Tokyo <u>Opinion</u> Unqualified	• I noted that the Embassy budgeted to collect NTR of UGX: 20m during the year out of which UGX.5.5m was collected, resulting in a shortfall of UGX.14.5m. • The Mission budgeted to receive UGX.5.8Bn and UGX:5.8Bn was warranted. Out of this UGX 5.3Bn was spent resulting in unspent balances of 0.3Bn • I assessed the implementation of the three (3) outputs that had been insufficiently quantified with a total of twenty-four (24) activities worth UGX.5.5Bn and noted that all outputs were partially implemented.
66.	Uganda Embassy in Tokyo 2020/21 <u>Opinion</u> Unqualified	• The entity budgeted to collect NTR of UGX. 1,594,000,000 during the year, out of this, UGX. 8,182,199 was collected, resulting in a shortfall of UGX UGX. 1,585,817,801.

		• The Mission budgeted to receive UGX.6.04Bn which was all warranted representing 100% performance on GoU receipts. • Out of the total receipts of UGX.6.04Bn, UGX.5.86Bn was spent by the entity resulting in an unspent balance of UGX.0.18Bn representing an absorption level of 97%. • All the three outputs were insufficiently quantified and as a result I could not assess the extent of implementation of these activities. • The entity submitted performance reports for Q1, Q2, Q3, Q4 after the deadline given for submission of the reports.

67.	Uganda Embassy in Washington
	
	Opinion
	Unqualified
		• The Mission delayed to remit cash balances to the Consolidated Fund. I noted that the Mission had total collections including unspent balances in the current year and balance brought forward from previous year totalling to UGX.1.679Bn. At the closur[1]e of the period, UGX.1.348Bn had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance UGX.0.331Bn. The practice amounts to a violation of regulations and could lead to misallocation of the Embassy's funds.
		• I noted that the Assets Register maintained by the Mission was not in the format prescribed in the Treasury Instructions, and several asset details were missing. I also noted a number of unserviceable items recommended for disposal in the prior financial year but still remained undisposed at the end of 2020/2021.
		• The Mission owns two chancery buildings in Washington DC. The Board of Survey and an engineering assessment on the buildings disclosed the following among other issues;
		  ○ The back porch of one of the buildings continued to disintegrate due to an unstable foundation.
		  ○ The Chancery buildings on plots 5909 and 5911 had shown serious structural cracks ranging from 1mm to 7mm. The landing rear porch of building on plot 5909 had completely failed.
		  ○ The buildings were susceptible to storm water, which was disastrous to their integrity given that the interior of the buildings was made of wood. The incomplete splash aprons were noted to be allowing water in the buildings.
		• My inspection of the buildings revealed structural issues including corrosion of water pipes, cracks in the buildings, detached chimney on building on 5911 and detached porch on building on plot 5909. The buildings are likely to deteriorate further if no urgent civil works are undertaken, which renders their occupancy by Mission staff and their clients unsafe. Delayed works may also render the repairs more costly.

68.	Uganda Embassy in Washington. 2020/21 Opinion	• The Ministry of Finance, Planning and Economic Development (MoFPED) provided for a total of UGX.3.719Bn in NTR from the Embassy during the year under review, as per MOFPED NTR Estimates for 2020/2021. However, UGX.0.0797Bn was collected which represents a paltry 2.14% performance, resulting in a shortfall of UGX.3.64Bn.

[1]

	Unqualified	• Out of the total receipts from the Consolidated Fund for the financial year of UGX.8.033Bn, UGX.6.681Bn was spent by the entity resulting in an unspent balance of UGX.1.352Bn representing an absorption level of 83%. As a result, several activities of the Mission were not implemented. • The Mission delayed to remit cash balances to the Consolidated Fund. The Mission had revenue collections including unspent balances in the current year and balance brought forward from previous year totalling to UGX.1.776Bn. At the closure of the period, UGX.0.334Bn had been transferred to the Treasury for onward transfer to the Consolidated Fund leaving a balance of UGX.1.442Bn. The practice amounts to a violation of the PFMA/R and could lead to misallocation of the Embassy's funds.
69.	Uganda Embassy in Addis Ababa. <u>Opinion</u> Unqualified	• The mission budgeted to collect NTR during the year under review of UGX 0.04Bn. However, the entity collected UGX. 0.009Bn. This represents revenue performance of 0.22% • The mission budgeted to receive UGX.3.902Bn all of which was warranted. Out of the UGX. 3.902Bn that was warranted, UGX.3.60Bn was absorbed resulting in absorption level of 92% • I noted that the mission did not have performance indicates for all the outputs in the work plan and as such I was not able to assess the extent of implementation. • I inspected the status of the Ambassador's residence and noted that the building needs urgent repairs and renovations.
70.	Uganda Embassy in Addis Ababa. 2020/21 <u>Opinion</u> Unqualified	• The Mission had an NTR budget of 0.0078Bn which was all realized. • The mission budgeted to receive UGX.3.44Bn all of which was warranted. Out of this the mission absorbed UGX.3.15Bn representing an absorption level of 92% • I assessed the extent to which out-puts were quantified and noted that out of the three outputs sampled, two (02) outputs with a total of nineteen (19) activities and expenditure worth UGX.1Bn were fully quantified. One (01) output with a total of nine (09) activities and expenditure worth UGX.2.32Bn, was insufficiently quantified. In regard to implementation, the two outputs were all partially implemented. • A review of the approved staff establishment of the Embassy revealed that the Mission had an approved staff structure of eight (08) staff positions. Out of this, five (62.5%) were filled leaving three (3) vacant.
71.	Uganda Embassy in Copenhagen. <u>Opinion</u> Unqualified	• The embassy budgeted to collect NTR of UGX.0.22Bn during the year under review. Out of this, only UGX.0.033Bn was collected, representing a performance of 15% of the target. • Out of the total warrants of UGX. 6.141Bn received during the financial year UGX. 6.00Bn was spent by the entity resulting in an unspent balance of UGX.0.141Bn representing an absorption level of 98%. • I noted that funds to the tune of to UGX 850,596,700 (equivalent to DKK 1,701,193.4) were irregularly charged on wrong item codes without seeking and obtaining the necessary approvals

		• Assessment of implementation of the one (1) outputs that had been fully quantified with a total of four (4) activities worth UGX.0.604Bn and noted that; One (01) activity was fully implemented; while Three (03) activities were partially implemented.
		• the Mission did not maintain a detailed risk register of risks that may affect the implementation of activities as detailed in the approved work plans and budgets.
		• status of the embassy Assets;
		  ○ The Chancery- the building requires a total overhaul; the windows are too old even to replace broken glass is a challenge. The basement has signs of water entering through the walls, there are signs that the building is slowly sinking in and needs immediate reinforcement right from the basement, though the heating system was repaired, with the damaged or worn out insulation it's not effective.
		  ○ Official residence; The residence is not occupied though some repairs had been done during the past few year covering the kitchen, the toilets, there is leakage on the external walls possibly due to drainage problem, there is need for remodelling to fix a 2nd bathroom for the master bedroom to be self-contained, there is dampness in some part of the basement that requires reinforcement/ fixing urgently before occupancy.
		  ○ Furniture –very old furniture, requires replacement
		  ○ A vehicle Toyota Hiace van 2.5 Combi model 2009 is not in use and parked due to the very high costs of maintenance.

72.	Uganda Embassy in Copenhagen. 2020/21 <u>Opinion</u> Unqualified	• The Embassy budgeted to collect NTR of UGX UGX. 1,585,166,839 during the year. However, UGX.8,767,711 was collected, representing 0.5% performance. • Out of the total receipts for the financial year of UGX.6.54Bn, UGX.4.92Bn was spent by the entity resulting in an unspent balance of UGX.1.62Bn representing an absorption level of 75.2%. • Out of the four (4) outputs with a total of twenty-five (25) activities, one (1) output with a total of two (2) activities were fully quantified. Two (2) outputs with a total of twenty-two (22) activities were insufficiently quantified. One (1) output with a total of one (1) activity was not quantified at all to enable assessment of performance. • One (1) output with two (2) activities which was fully quantified worth UGX.4.37Bn was partially implemented. Out of the two (2) activities, the 2 activities were partially implemented. • The Uganda Embassy Chancery building requires very urgent renovation • The official residence building also requires complete and total renovation • Two mission vehicles are very old and need replacement

73.	Ministry of Foreign Affairs (MOFA). <u>Opinion</u> Unqualified	• The Ministry had an approved budget of UGX.70,982,930,947, out of which UGX.64,457,203,544 was warranted resulting in a budget shortfall of UGX 6.5Bn. This shortfall negatively affected implementation of activities. • Out of UGX 64.45 received, UGX.62.45 was absorbed resulting in un-utilized warrants of UGX.2Bn. The failure to absorb all warrants as availed affected service delivery. • I assessed the extent of implementation of a sample of 14 outputs worth UGX.52 Bn and observed that 2 outputs worth 34Bn were fully implemented, 7 outputs worth 18.4 Bn were partially implemented and 5 out-puts were not implemented at all. • I noted that funds totaling to UGX.32, 812,431 were mischarged/diverted to pay for activities for which it was not budgeted. • The entity had domestic arrears totaling to UGX.37Bn most of which related to unpaid contributions to International organizations. • I noted that the Medical Insurance provided to staff of the Missions abroad was inadequate and did not cover some of the illnesses suffered by the Mission staff abroad. I further observed that the current abridged PPDA guidelines for missions abroad were not applicable in most host countries which resulted in non-compliance with the same. • There was no mechanism to follow up and track promises and offers made by other governments to the Government of Uganda which resulted in loss of opportunities for Ugandans. • I also noted that missions were significantly underfunded in regard to capital budgets which affected their ability to undertake any activity of a capital nature. • I noted shortcomings in the management of the entities IT systems which included; failure to obtain NITA-U approvals for IT systems, lack of a steering Committee for ICT activities, lack of source codes for the Ministry's IT systems and limited integration of the various IT systems.
74.	Ministry of East African Community Affairs 2020/21 <u>Opinion</u> Unqualified	• The entity budgeted to collect NTR of UGX.0.02Bn during the year however, no collections were made by the Ministry. • The approved budget of the ministry was UGX.38.043Bn out of which UGX.37.604Bn was warranted, resulting in a shortfall of UGX.0.438Bn, which is 1.15% of the approved budget. • Out of the total warrants of UGX.37.605Bn received during the financial year, UGX.36.661Bn was spent by the entity resulting in an unspent balance of UGX.0.944Bn representing an absorption level of 97.5%. • I reviewed the extent to which a sample of 9 outputs were implemented and noted that all the nine (9) outputs with their fourteen (14) activities and expenditure of UGX.26.6Bn were fully implemented.

		• I noted delayed service delivery due to the fact that the achievement of Uganda's EAC commitments is dependent on the corroboration of the other member states. • I observed that although the trend of domestic arrears over the past three (3) years shows a reduction in arrears, the Ministry had outstanding arrears totalling to UGX.1.665Bn as at 30th June 2022. • Out of the approved 103 staff positions, 72 positions representing 70% were filled while 31 positions representing 30% were vacant. Further, the Ministry planned to recruit eight (8) staff to fill some of the vacant positions, however this was not implemented.
75.	The Independent Electoral Commission. <u>Opinion</u> Unqualified	• The Commission budgeted to collect NTR amounting to UGX.0.19Bn during the year under review. Out of this, only UGX.0.11Bn was collected, representing a performance of 58% of the target. • According to the approved budget, the entity was supposed to receive UGX.230.16Bn out of which UGX.227.59Bn was warranted, resulting in a shortfall of UGX.2.57Bn. The shortfall represents 1.12% of the approved budget. Out of the total warrants of UGX.227.59Bn received during the financial year UGX.161.32Bn was utilized by the entity resulting in un-utilized warrants to the tune UGX.66.27Bn. • I assessed the implementation of a sample of six (6) outputs that had been fully quantified with a total of sixteen (16) activities worth UGX.79.14Bn and noted that; two (2) outputs were fully implemented, three (3) outputs were partially implemented and one (1) output was not implemented at all. • I noted that funds to the tune of UGX.556,130,140 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I noted that the commission had undertaken activities towards the conduct of women council elections however; the exercise was never completed due to inadequate funding. • I noted that payables worth UGX. 2,744,317,391 relate to fines and penalties levied against the commission by Uganda Revenue Authority and these date back to more than five financial years. • The Commission delayed to vacate the current location of its offices in order to pave way for the construction of the Kampala express way. • I noted short comings in the management of the ICT function at the commission such as failure to obtain NITA U approvals of the Commission's system, failure to dispose of obsolete ICT items and absence of structures to steer ICT within the Commission.
	WORKS AND TRANSPORT SECTOR	
1.	Ministry of Works and Transport (MoWT) <u>Opinion</u> Unqualified	• The Ministry budgeted to collect NTR of UGX.215.63Bn but only UGX.209.00Bn was collected, representing a performance of 97% of the target.

		• The Ministry was supposed to receive UGX.836.61Bn, out of which UGX.767.1Bn was warranted, resulting into a shortfall of UGX.69.51Bn. As a result some key activities like PAPs are not paid, Railway infrastructure rehabilitation not undertaken and EACAA School is not rehabilitated. • MOWT was responsible for making payments under the contract for civil works for the Rehabilitation of the Tororo-Gulu Railway. However, the contractor terminated the contract due to failure by the Government of Uganda to meet its obligations but an advance payment of EUR.8,854,839.68 remained un recovered from the contractor. • I assessed the implementation of a sample of twenty (22) outputs that had been fully quantified with a total of one hundred and ten (110) activities worth UGX.693Bn and noted that; five (5) outputs with eight (8) activities and expenditure worth UGX.294.6Bn were fully implemented, fifteen (15) outputs with ninety seven (97) activities worth UGX.390.4Bn were partially implemented and two (2) outputs with five (5) activities worth UGX.8.1Bn were not implemented at all. • UGX.3,577,035,246 was irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • An inspection of the regional mechanical workshops established that 23 District road equipment remained in the Workshops' yards for a period of between one to five years without repair. They are thus not serving their purpose • An inspection of the East African civil Aviation Academy (Soroti Flying School) indicated that all its nine (9) training aircrafts were grounded due to the expiry of their insurance and/or being faulty. I further noted that three aircrafts involved in accidents during the year under review had not been repaired due to the delayed compensation by the insurance service provider. • Land acquired under the SGR project, measuring approximately 1,305.886 acres costing UGX.99,343,193,128 was not recorded in the GFMIS fixed asset module thus affecting the accuracy of the non-produced assets in the financial statements. • I observed that a total of two (2) IT systems/equipment with a total cost of UGX.200,780,000 were implemented without business cases and approval by NITA-U.
2.	Uganda Road Fund. <u>Opinion</u> Unqualified	• Due to Government reforms to rationalize Government agencies and public expenditure, there exists a material uncertainty that may cast significant doubt that the Council shall remain a Going Concern in the foreseeable future. • Out of the revised approved budget for the financial year of UGX.509.42Bn, only UGX.387.89Bn was warranted resulting into a shortfall of UGX.121.53Bn representing 24% of the revised approved budget. As a result, UNRA and Local Governments were underfunded by UGX.69,891,747,788 and UGX.47,820,884,749 for the routine and periodic maintenance of roads respectively. • I assessed the implementation of a sample of four (4) outputs that had been fully quantified with a total of forty seven (47) activities worth UGX.386.20Bn and noted that: one (1) output with one (1) activity and expenditure worth UGX.10.80Bn was fully implemented; three (3) outputs with forty six (46) activities worth UGX.375.40Bn

		were partially implemented and out of the forty six (46) activities, the entity fully implemented nineteen (19) activities; twenty two (22) activities were partially implemented, while five (5) activities remained unimplemented. • Funds to the tune of UGX.963,052,641 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Some Designated Agencies had not submitted accountability statements in respect of UGX.3,153,732,552 of the Fund released to them in the fourth quarter, which ended on 30th June 2022 contrary to the financial regulations. • URF and PPDA jointly constructed their offices known as the PPDA-URF Towers and agreed to equally share the cost of land and construction of the twin tower building. I however, noted the following; ○ The land title had not been transferred from PPDA into the joint owners' names. ○ Level 1 and 6 of the building including the day care were not used as intended because they have not yet been equipped. ○ URF did not involve PPDA in running the shared facilities and incurred UGX.291,424,050 during the year under review. • Contracts totalling to UGX.323,913,112 entered into were over and above the market estimated value of UGX.263,090,000, resulting into a variance of UGX.60,823,112. There was no evidence that the Accounting Officer reconfirmed whether the market price was still valid. • I observed that a total of five (5) IT systems/equipment procured at UGX.639,534,325 were not cleared by NITA-U. In addition, 192 IT hardware equipment valued at UGX.112,038,842 that were recommended for decommissioning by board of survey report were not disposed of.
3.	Multinational Lake Victoria Maritime Communications and Transport (MLVMCT) Project – Ministry of Works and Transport. <u>Opinion</u> Unqualified	• The Project expected to receive UGX.26,592,490,000 and UGX.2,500,000,000 from ADB/F and GoU respectively. However, the Project received only UGX.2,988,851,679 from ADB/F in form of cash (UGX.1,192,269,000) and direct payments (UGX.1,796,582,679) and UGX.2,438,300,000 from GoU. This resulted into a combined revenue shortfall of UGX.23,665,338,321 representing 81.3% of the approved budget. • Out of the available funds of UGX.6,050,869,770.9, a total of UGX.5,514,951,020 was spent resulting into an unspent balance of UGX.535,918,750.90 representing an absorption level of 91.14%. The unspent funds from the Fund amounting to UGX. 491,942,262 (Equivalent USD.129,458.49) remained on the Loan Special Account as at 30/06/2022 while that from GoU amounting to UGX. 43,976,488.90 was transferred back to the GoU Consolidated Fund. • The Loan is equivalent to USD.14.35 Million and became effective on 20th April 2018. The last outstanding disbursement is expected on 30th April 2023. Audit established that a total of only USD.2,164,354.69 had been disbursed by 30/06/2022.

4.	Uganda National Roads Authority (UNRA) <u>Opinion</u> Unqualified	• The Cabinet on 22nd February, 2021 under minute no. 43 (CT 2021) took a decision to merge UNRA with MoWT. Under the circumstances, there is material uncertainty that may cast significant doubt that the Authority shall remain a Going Concern in the foreseeable future. • According to the revised approved budget, the entity expected to receive UGX.3,654,658,940,745 out of which UGX.3,150,755,611,035 was warranted, resulting into a shortfall of UGX.503,903,329,710 representing 14% of the approved budget. • Out of the total warrants of UGX.3,150,755,611,035 received during the financial year, the entity submitted invoiced totalling UGX.2,662,030,909,590 resulting in un-utilized warrants of UGX.488,724,701,445 representing an absorption level 84.5%. • I assessed the implementation of 13 projects with a total of twenty six (26) outputs that had been fully quantified with a total of fifty three (53) activities worth UGX.1,473Bn and noted that; Nine (9) outputs with nineteen (19) activities worth UGX.154Bn were fully implemented, Sixteen (16) outputs with thirty three (33) activities worth UGX.1,285Bn were partially implemented and One (1) output with one (1) activity UGX.34 Bn was not implemented. • A sum of UGX.136,480,916,768 was spent from various projects to cater for activities that are not related to the respective projects with no evidence of approval from the appropriate authority. • The entity had contingent liabilities worth 381,799,539,802, Out of which UGX.144,301,631,989 was in-respect of certificates of works, which the Accounting Officer had not yet approved by the close of the year under review. • The review of expenditure made during the year indicated that UNRA paid out UGX.12,972,532,057 in-respect of interest charges for the Interim Payment Certificates (IPCs) which were not paid in the agreed timelines. • I under took engineering audit of a selected sample 9 road development, bridge & rehabilitation projects and noted the following; o Inadequate estimation of quantities for 5 projects audited leading to multiple contract variations. o Access to sites for 6 out of the 9 projects was not achieved as required by the different contract arrangements. o Delays in completion of design reviews which delayed timely issuance of instructions to Contractors. o 8 out of the 9 projects audited were not completed on/in time and had time extensions which delayed the availability of the upgraded roads to the users. o Payment of interim payment certificates to the contractors were not on time for eight projects under audit. o I observed there environmental social and health safety concerns on six road projects audited. o I undertook measurements on some selected items to establish the consistency with which the supervision team accurately measures the quantities before payments and established over payment amounting to UGX.231,870,478.13 & EUR 47,469.01 from different projects.

		○ I observed unjustified application of foreign currency correction factor which resulted into a total overpayment of UGX.94,887,347. ○ I established that for Mpigi town roads project, the contractor was paid partly in foreign currency despite a PSST directive against the practice for solely Government of Uganda funded projects. USD 11,153,986.05 was paid out to the Contractor at an exchange rate of 1USD at UGX.2,282.1, which meant that Government incurred an extra cost of over UGX.15,448,939,920.88 to acquire this amount of dollars considering the average USD exchange rate was UGX.3667.16 during the contract execution period. ○ I established that for Mpigi town roads project, a total amount of UGX.2,319,823,581.79 was advanced to the contractor in payment certificates (01 to 07) in regards to materials on site without any contractual basis. • Out of the approved budget of UGX.1,567.84Bn for land acquisition, UGX.1,292.13Bn was warranted / availed to the entity during the period under review representing 82.4% performance. • I noted that out of the 2,080 land titles that the entity obtained during the financial years 2018/19 to 2021/22, only 102 land titles had been transferred into UNRA's name resulting into the balance of 1,978 (95%) land titles to still have been in the names of PAPs by the end of the year under review. • During the review of implementation of ICT activities, I noted that the entity did not have a business continuity and disaster recovery plan. • There was delayed completion of 22 road with a total contract value of UGX.82,177,512,239. • There were abandoned Road Works for mechanised maintenance on Busolwe – Nabumali Junction that had been contracted at UGX.1,486,162,399.
5.	Upgrading of Rwenkunye –Apac – Lira - Acholibur Road Project (252.5 Kms) implemented by Uganda National Roads Authority (UNRA) for the financial year ended 30th June, 2021 Opinion Unqualified	• Contrary to the requirements of the Public Finance Management regulations 2016, I noted that out of the release of UGX 119,673,517,241. for the project activities during the year only UGX 114,253,192, 241. was used on the Upgrading of Rwenkunye –Apac – Lira - Acholibur project activities and the balance totalling UGX 5,420,325,000. was relocated to other projects without the Ministers approval. • In spite extension of the project closure date now planned as 12 October 2024 from 30th April 2020 as per the approved extension, a review of the monthly June 2021 Progress report, established that the cumulative physical progress as at 30th June 2021 was only 1.5% against 11.5% planned, resulting in an overall slippage of 13%. The contractors delayed to mobilize heavy machinery and equipment for works, slow progress by management to secure a right of way due to slow compensation to people affected by the road project (PAPs) and COVID-19 pandemic whereby the Contractors could not carry out the activities as planned due to restricted movements both local and international. • I noted that acquisition of titles (i.e. legal ownership) for the acquired for the entire road having a total length of 191 Km for which compensation had been made is still in process. However, it was not clear how far the process had reached and when it would end, in spite of UNRA Management engaging Ministry of Lands Housing and Urban development (MoLHUD) on this matter.

6.	Uganda Civil Aviation Authority. <u>Opinion</u> Unqualified	• The Authority budgeted to receive UGX.3Bn from GOU, out of which UGX.1.13Bn was received, resulting in a shortfall of UGX1.87Bn. This affected maintenance activities in the upcountry aerodromes • For a sample of twelve (12) outputs that had been fully quantified with a total of forty seven (47) activities, one (1) output with three (1) activities and expenditure worth UGX.41.8m was fully implemented, three (3) outputs with seventeen (17) activities and expenditure worth UGX.2.65bn were partially implemented and eight (8) outputs with twenty nine (29) planned activities with no expenditure were not implemented at all. • 2 pieces of land measuring approximately 23.913 hectares in Entebbe had encumbrances of approximately 8.92 hectares in the form of encroachment by the local population. • Out of 36 pieces of land measuring approximately 1662.94 hectares the Authority held, 18 pieces of land measuring approximately 496.184 hectares (30%) did not have land titles. • Government entities owed UCAA a total of UGX.137.2Bn representing 77% of the total debtors of the Authority of UGX.177.72Bn. Most of these debts have been outstanding for more than 5 years • The Authority made irregular Payment of salary to former staff of UGX.107,788,492. • I inspected the functionality of Kisoro aerodrome and observed that the runway tarmac had started stripping off and developing potholes which may be potentially dangerous. • I carried out financial analysis of financial information and noted that the Authority has continuously made losses for the previous two years. However, the ratios computed indicate that UCAA is making significant improvements in profitability and its ability to sustain provision of services. • Although management implemented the Point of Sale system in 2013 to track revenue reported, I noted that only 16 out of the 25 concessionaire shops have POS terminals installed while some concessionaires use the POS terminals selectively. The Authority has failed to implement a Cargo Handling IT System to track revenues from Cargo. • A review of ICT activities implemented revealed that a total of six (6) IT systems procured of UGX.5.54Bn were not cleared by NITA-U and a total of eight (8) systems were not integrated to share information with other systems. This can result in inefficiencies.
	Uganda National Airlines Company Ltd (UNACL). <u>Opinion</u> Unqualified	• Out of the total expected revenue collection during the financial year of UGX.348.384Bn, only UGX.141.750Bn was realized by the entity representing only 40.7% performance. This under collection affects service delivery • UGX.22.825Bn collected in respect of airport tax from passengers through Entebbe International Airport had remained un-remitted to UCAA for over two years. • The Company failed to transfer USD.1,233,318 collected during the year from the Republic of Burundi due to forex transfer restrictions.

		• Financial analysis using rations indicated that the Company is not performing well in terms of profitability and ability to sustain provision of services. • I noted delayed Certification of an Air Maintenance Organization and delayed Membership to IATA. Such delays affect the Company's operations • The Company lacks an IT Cargo Management System and uses a manual system, which is open to abuse and is difficult to monitor. • Although the Company procured Oracle Fusion IT System with a financial management module, at the time of preparation of financial statements, its only schedules and ledgers that are extracted and the financial statements produced manually. This exposed the financial statements to manipulation. • Management used direct procurement method and entered into a contract with M/S Kiira Motor Corporation to supply one (1) unit of Kayoola Diesel Coach at a contract price of UGX.519,687,420 on 28th February 2022. The contract provided for the bus to be delivered within 120 days but it had not been delivered at the time of reporting in December 2022.
7.	Uganda Railways Corporation. <u>Opinion</u> Qualified	• 1,946 stolen railway materials equivalent to UGX.12,391,542,000 were recovered from a Steels factories in Lugazi. Similarly, 750 meters of the railway line estimated at UGX.1,100,961,000 were vandalised and the railway materials were traced to another steel factory in Mukono. However, URC entered into an out of court settlement and was compensated only UGX.735,757,503,000 resulting into a loss of UGX.12,757,503,000. • A review of a contract for Civil works for rehabilitation of Tororo-Gulu Railway undertaken at contract price of EUR.39,337,756 (excluding VAT/other taxes) revealed that the contractor terminated the contract due to delays in payment by the Government of Uganda but never handed over the re-usable materials for reconstruction of the line. As a result, most of the materials were stolen and the Supervisor Consultant reports indicated that by 30th July, 2022, URC had lost 136,416 of the re-usable items equivalent to Euro.3,083,846.54. • Management made a provision for bad debts worth UGX.4,414,665,000 against a total figure of UGX.7,228,231,000 resulting into a net receivables of UGX.2,813,566,000. I was not provided with the justification and computation of the provision • The Corporation had a total of UGX.1,130,149,381 relating to VAT receivable which was not supported. • I established that total rental revenue of UGX. UGX.757,490,969 was not disclosed in the financial statements. The revenue for the year under audit is misstated. • UGX.509,300,000 was paid to two suppliers as fuel deposits but lacked supporting documents. • URC has 521 wagons located in different parts of Kenya as per its assets register. However, only 243 wagons were confirmed in existence leaving a balance of 393 wagons un-accounted for. • Loan amount of UGX.22,067,482,000 and interest payable of UGX.9,511,880,000 disclosed in the financial statements were not supported and did not show any movement from last financial year.

			• The Corporation budgeted to collect revenues amounting to UGX.128.96Bn during the year under review but only UGX.16.4Bn was collected, representing a performance of 12.7% of the target. • The Corporation planned to receive UGX.225.175Bn from GOU sources but only UGX.191Bn was received, resulting into a shortfall of UGX.34.175Bn representing under performance of 34.2%. • Out of the total funds of UGX.191Bn received during the financial year, UGX.158.69Bn was spent by the entity resulting in an unspent balance of UGX.32.31Bn representing absorption level of 83.1%. • I assessed the implementation of a sample of thirty seven (37) outputs that had been fully quantified with a total of seventy eight (78) activities with a budget worth UGX.116Bn and noted that; • Two (2) outputs with three (3) activities and expenditure worth UGX.372 million were fully implemented. • Fifteen (15) outputs with forty two (42) activities with expenditure worth UGX.39.6bn were partially implemented. Out of the forty two (42) activities, the entity fully implemented six (6) activities; eighteen (18) activities were partially implemented, while eighteen (18) activities remained unimplemented. • Twenty (20) outputs with thirty three (33) activities with expenditure worth UGX.3bn were not implemented at all. • A project for rehabilitation of the Namanve – Tororo Line was undertaken at a contract sum UGX.184,067,631,879 but the majority of the line was undressed and laid back along the stretch, the sleepers are not packed and made firm on the permanent way and there are no ballast stones on the sections worked on the main line. As a result, there were noted cases where trains tipped and derailed on several sections of the railway line. • Inspection of the project for Construction of the Sleeper making Factory at Kawolo Station at contract sum of EUR.19,840,000 revealed that progress of works was approximately at 55% and land left outside the fence had been encroached. • Management had not remitted NSSF contributions to a tune of UGX.2,902,946,239 by 30th June, 2022. • UGX.941,540,000 allocated for the purchase of locomotives under GOU funding was diverted to activities not related to the purchase of locomotives. • There were accumulated rental arrears for over 12 years from August 2009 to December 2021 of KSH.1,860,153 (UGX.59,152,865) for a URC House located at LRV, Kisumu, 12/252-Tom Mboya Street. • Out of expected compensation to URC of UGX.34,563,250,000 from UNRA, for takeover of part of the station and railway land reserves, an amount of UGX.6,402,682,500 was paid to URC resulting into a balance of UGX.28,160,567,500. However, there are ligation claims by third parties that the land being compensated did not belong to URC which has hampered the settlement of the obligation by UNRA. • URC regularly revised its freight rates down to levels that did not seem commercially viable given the prevailing economic circumstances for the year under audit. For example, tariffs for transportation of grain/ conventional cargo on the northern routes were revised to USD 19.6/ton from USD 27.6/ton for Mombasa- Kampala route yet fuel costs which make up the largest part of the cost driver significantly rose over the period.

		• A review of an agreement between the Government of Uganda and Mango Tree (U) Ltd to rehabilitate and upgrade the Marine Vessel (MV) Pamba without recourse to public funds revealed that there was no competitive procuring of the private service provider. In addition, whereas Marine Vessel (MV) Pamba operated during the year, there were no arrangements by URC in respect to monitoring of revenue collected by the operator of the vessel and also the revenue sharing terms which would allow both parties to mutually benefit as required in the agreement. • A financial analysis of the Corporation indicated that it has continuously made losses for the previous two years and that URC still needs to make significant improvements in Operating efficiency, profitability and its ability to sustain provision of services. • I undertook the review of land management and observed that; o 6 pieces of land measuring approximately 10.8 hectares out of 281 pieces of land measuring approximately 8,407 hectares (0.13 %) and costing UGX.2,473,324,000 were not recorded in the entity's land register. o 13 pieces of land measuring 434.5 hectares valued at approximately UGX.1.732Bn had encumbrances in the form of caveats, court injunctions and encroachment. o Out of the 281 pieces of land measuring approximately 8,406.94 hectares the entity held, 6 pieces of land measuring approximately 802.9 hectares (4.1%) did not have land titles. o One (1) piece of land measuring approximately 12.24 hectares (0.15%) worth UGX.55,763,745,000 in Nalukolongo was irregularly subdivided and transferred to several private ownership. o Land measuring approximately 49.32 hectares was leased out during the period under review, but 7 pieces of land measuring approximately 45.32 hectares were not traceable to the lease register. o Out of the lease rentals of UGX.132,600,000 expected in the period under review, the entity only received UGX.107,112,000 (81%) by 30th June, 2022 with a balance of UGX.25,488,000 still outstanding. o The District Land Boards (DLB) across the country, KCCA and ULC without advertising or seeking for consent from URC allocated/leased five (5) pieces of land measuring approximately 45.312 hectares that were not under their jurisdiction. • I reviewed the implementation of ICT activities and noted that: o 68 IT equipment procured for UGX.520,935,318 and two IT systems worth UGX.191,785,702 were not cleared by NITA-U. o Three (3) systems were not integrated or not automatically sharing information with other systems. o 51 IT equipment valued at UGX.5,057,500 were recommended in board of survey report for disposal but thi shad not been implemented. o There were no specific structures that steer and oversee ICT implementation, no approved IT risk management framework/policy at the Corporation, and no risk register.

		○ There was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014. • There was an irregular contract variation of UGX.29,535,900 (203% of the contract sum) for construction of 2-stance toilet and provision of mobile toilet services at Nalukolongo Workshop contrary to Regulation 55(4) of PPDA, 2014. • Staff with the same salary scales were earning different gross amounts while some staff with low scales were earning higher than those staff in higher positions. • 76 residential tenants in stations lacked tenancy agreements from which the monthly rental charges were determined, 5 tenants were occupying the Corporation's premises with no valid tenancy agreements, the total outstanding arrears in relation to tenants with expired tenancy agreement stood at UGX.618,256,896 as at 30/06/2022 and 15 tenants had accumulated arrears worth UGX.808,890,455 as at 30/06/2022 even though contracts required them to make rental and lease fees payments in advance. • There was failure by the entity to dispose of about 21,993 unusable sleepers that had been collected from the dismantled line along the Tororo-Gulu line. These are exposed to theft and loss of value
8.	Upgrading of Kapchorwa Suam and Eldoret Bypass Roads Project (Uganda)implemented by Uganda National Roads Authority (UNRA) <u>Opinion</u> Unqualified	• I noted that UNRA delayed to pay the Contractor's Interim Payment Certificate (IPC) within the stipulated days in the contract thereby incurring UGX.609,061,148 and USD.130,733.97 in finance charges • UNRA signed contracts with three companies to relocate utilities along the project road for a total cost of UGX. 5,887,444,880 against a budget amount of UGX. 3 Billion thereby resulting into an additional amount of UGX.2,887,444,880. This is an increase of 96% beyond the budgeted amount for this activity casting doubt to the comprehensiveness of the feasibility studies undertaken by the UNRA and the Contractor before BoQs were made. • I noted that the progress of work did not match the remaining period to the completion date. The road works were estimated to be at 68%, the OSBP at 25% and Suam Bridge at 70% with just few months to reach contract completion date. • I further noted that some of the project components had not been implemented at the time of audit these include; Training in labor based construction techniques, Refurbishment of a post-crash care center and procurement of theatre equipment. • I noted that the contracts signed by the consultants required them to provide the Professional liability insurance of 110% of the contract value but those provided did not cover the entire period • If there is no Insurance cover as per the PPDA regulations, UNRA will not have a fallback position in case the consultants do not meet their contractual obligations.
9.	Road Sector Support Project 4 (RSSP–4), for the upgrading of Kigumba – Masindi – Hoima – Kabwoya Road Project implemented by UNRA	• I noted during various grievances relating with the resettlement of PAPs for Lot 1. Nine PAPs had their access roads blocked, ninety-seven complained of damaged houses, nine complained of flooding and water contamination

	Opinion Unqualified	and thirty-one were disputing compensation amounts paid to them. The cases, reported between September 2018 and August 2021, had not been resolved by the time of our audit, 2 years later. • I noted that while the contractor was making payments towards obligations in regard to Pay as you earn tax (PAYE) and NSSF, they did not make returns to the relevant statutory bodies as required by law. In some instances the payments were lower than the required amounts. Unpaid taxes deprive government of revenue, while staff deprived of their NSSF savings may resort to legal action. • While UNRA obtained a certificate of no objection for the construction and construction supervision of Hoima Town roads, certificate of no-objection was not obtained for the construction and construction supervision of Masindi and Kigumba Town roads due to delays in approvals by the funders. By the time of audit in September 2022, the contractor was on site and the reported levels of completion for Masindi and Kigumba town roads was 77% roads 21% respectively. The contractor had issued a notice of intention to close the site over non-payment for works due to delays in approvals. • I noted that the consultant was yet to complete the designs for the OSBP due to non-harmonization of the designs with those of Rwanda and the DRC at time of audit and there was no proof of communication between the MOFA and authorities in Rwanda and the DRC to that effect.The OSBP consultant's scope of activities was supposed to be covered in nine months (ending January 2022 with contract deliverable including an Inception Report, Monthly Progress Reports, Draft Feasibility Report, Final Feasibility Report, Draft Engineering Architectural Design Report and The Final Engineering Architectural Design. However by the time of our audit in September 2022, only the draft feasibility study had been delivered, pending URA comments and UNRA approval. The contract delivery date has been extended to 24th March 2023.
10.	Upgrading of Muyembe-Nakapiripirit Road Project implemented by Uganda National Roads Authority (UNRA) Opinion Unqualified	• Contrary to the requirements of the Public Finance Management regulations 2016, I noted that, although there were surplus funds amounting to UGX.9,526,145,971 for the Muyembe - Nakapiripirit Road project, management reallocated the funds to another Project to pay its debts without the Ministers approval. • I noted delays in project implementation with cumulative physical progress as at 30th June 2021 at only 2.71% against 15.59% planned, resulting in an overall slippage of 12.88%. • Contrary to the requirements of Clause 2.1 of the Contract Agreement between UNRA and the Contractor I noted that there were still some sections of the road that had pending land acquisition issues that needed to be addressed. • I noted that acquisition of titles (i.e. legal ownership) for the acquired land (Muyembe-Nakapiripirit road having a total length of 92 Km) for which compensation had been made is still in process. However, it was not clear how far the process had reached and when it would end.
11.	Albertine Regional Sustainable Development Project (ARSDP) (Uganda National Roads Authority). Opinion	• I noted the following during the audit in relation to land acquisition:

	Unqualified	• Compensation for PAPs in ROW on the entire completed road Section (Km 100.4) stands at 99.7% with 0.3% represented by six (6) PAPs (according to UNRA Compensation Status Report dated 8th July 2022) outstanding as these still have unresolved issues like court cases and family disputes. • The land acquired has not been transferred in the names of The Government of Uganda (UNRA) and the titles have not been returned to the owners. • On the other hand, there are PAPs who were injuriously affected by the ongoing road construction activities. The total number as per the contractor's records is 148 which had all not been addressed by 30th June 2022. • I noted that although the salaries and 5% NSSF contribution for the two individual local consultants ware paid in July 2021 the 10% NSSF contribution was paid on 22nd April 2022. • I noted that UNRA did not comply with the requirements of the NSSF Act and maybe penalized by the NSSF • I noted that all consultants had Interim Extensions of Time (EOT) and were on duty but had outstanding payments. The supervision consultant had invoices No. 69 to No. 76 totalling USD 920,421.4. The individual consultants for the Social Development Specialist, Environmental Safeguards Specialist and Project Management Specialist were only paid for field facilitations totalling UGX 24,460,000 not monthly allowances in the year of audit.
12.	Road Sector Support Project 5 (Upgrading of Rukungiri-Kihihi-Ishasha/Kanungu and Bumbobi-Lwakhakha Roads (Uganda National Roads Authority). 2022 <u>Opinion</u> Unqualified	• Contrary to the requirements of the Regulation 16 of the Public Finance Management regulations 2016, I noted that UGX.4,526,512,477 (50%) of the available GoU counterpart funds for FY 2021/22 was reallocated to fund expenditures for Civil works of Kapchorwa-Suam road Project. This action overrides established budgeting procedures without the Minister's approval. • I reviewed the financing charges on the ADF loan and noted that total charges of UGX.3,357,809,609 were accrued on the disbursed and undisbursed loan balances with ADF during FY 2021/22. Furthermore, due to delayed procurement, prolonged acquisition of the Project right-of-way, and slow execution of works by the Contractors, the initial disbursement deadline of 31st December 2020 was extended to 31st December 2024. The implication is that the project is exposed to higher avoidable interest charges accruing from undisbursed loan balance due to loan under-utilization and hence delayed implementation of Project activities. • The upgrade of the Rukungiri-Kihihi-Ishasha/Kanungu 78.5 km stretch attained 25.75% physical progress during the FY 2021/22. Cumulatively, since the Project's inception, 68.35% physical progress had been attained, against the planned progress of 84.30% as of 30th June 2022. The slippage of 15.95% recorded was attributed to encumbrances on land on sections that required extra land take beyond the 30m standard Right of Way, excessive rainfall in the region, and the Contractors restricted access to Ishasha Bridge.Time elapsed as of 30th June 2022 was 43.8 months representing 88.3% of the total extended civil works contract duration of (49.6 months). Cumulative financial progress recorded was 55.23% against the planned 76.25%. • There was a delay in conducting consultancy services procurement processes from initiation to contract signature; The procurement to conduct gender awareness took 1,513 days (equivalent to 4 years and 2 months)

13.	Upgrading of Tirinyi-Pallisa-Kumi/Pallisa-Kamonkoli Road Project (111kms) i (Uganda National Roads Authority). 2022 <u>Opinion</u> Unqualified	• A review of the Interim payment certificates (IPCs) established that there was delayed certification of contractor's IPCs and subsequently delayed payments beyond the stipulated time period of 56 days with a time lag ranging from 23-122 days for GOU portion and 44-101 days for IsDB portion. These delays have attracted interest charges amounting to UGX.4,858,216,355. This is wasteful as it should have been avoided had the Supervising Consultant approved the IPCs in time. • Audit noted that there were delays, by the Bank, ranging from 100 to 157 days to release funds requested by UNRA for payment of contractor's certificates to be remitted to the contractor's bank account. • Contrary to the requirements of the Regulation 16 of the Public Finance Management regulations 2016, I noted that, although there were surplus funds amounting to UGX.3,687,491, 470 for Tirinyi Palisa Kumi Kamonkoli road project that should have been returned to the consolidated fund at year end, management reallocated these funds to the Nakalama Tirinyi-Mbale project to pay debts owed to the contractor without the Minister's approval. • I noted that a total of UGX.4,563,236,836 for Lot 1 and UGX.1,075,035,660 for Lot 2 was paid to the contractor as costs due to the approved Extension of Time amounting to 215 days and 45 days respectively beyond the original completion dates. This was attributed to delayed compensation of project affected persons.
14.	North Eastern Road-Corridor Asset Management Project (NERAMP) by UNRA <u>Opinion</u> Unqualified	• By the end of the year 2021/22, the project had incurred total financial charges of USD. 1,020,775.068 on delayed absorption of disbursed project amount worth USD. 10,964,141.51 • I noted that the project is slow and has resulted into an under-utilization of the signed loan amount thus incurring commitment charges of USD. 785,248.3 on the unwithdrawn principle Loan Amount. • Interest payment of UGX. 20,152,565,660 due to delayed payment of claims under the contract for Provision of works and Services. • Contrary to the requirements of the Regulation 16 of the Public Finance Management regulations 2016, I noted that UGX. 26,580,590 (USD 7,056.24) of the funds available from GOU counterpart funding was re-allocated to funding civil works without evidence of approval. • Although the OPRC Consultancy Agreement between UNRA and the consultant had the contract price agreed of USD. 9,463,248 and UGX. 2,370,533,211 inclusive of all applicable taxes, withholding tax due from project consultant was erroneously charged to the Project account USD. 187,438 instead of the consultant.
15.	Upgrading Masaka – Bukakata Road Project <u>Opinion</u> Unqualified	• I noted that the financing agreements expired on 30th June 2022 when the funders had not yet disbursed a total of USD.1,047,693.84, which was equivalent to UGX.3,952,948,858. It may therefore be difficult to settle the Project outstanding obligations amounting to UGX.5,046,437,929. • The Project cost increased by UGX.340,948,885 in respect of interest paid and interest payable during the year under review alone. This figure was likely to increase in the subsequent year if the outstanding certificates of works worth UGX.4,864,209,954 were not settled at the beginning of the following year.

16.	National Building Review Board (NBRB) <u>Opinion</u> Unqualified	• Out of the budgeted UGX.9.428Bn a total of UGX.8.259Bn was warranted, resulting into a shortfall of UGX.1.169Bn. The shortfall represents 12% of the approved budget. • Out of the total of UGX.8.727Bn that was available during the financial year, only UGX.5.819Bn was spent by the entity resulting into an unspent balance of UGX.2.907Bn representing an absorption level of 67%. • I noted that out of the approved staffing level of 101, only 29 positions were filled (28%) leaving a staffing gap of 72 positions (72%). • A review of the ICT governance structure of the entity revealed that despite the deployment of the Building Industry Management System (BIMS) countrywide, there are no specific structures that steer and oversee IT implementation, no approved IT risk management framework/policy at the entity and no business continuity plan contrary to Section 4.6 of the National Information Security Policy 2014.
17.	National Building Review Board (NBRB) 2021 <u>Opinion</u> Unqualified	• I noted that, whereas NBRB had an approved five year strategic plan by the Board, it had not been reviewed and approved by NPA to facilitate compliance to national planning requirements and its alignment to the NDP III infrastructure sector priorities. There is a risk that some activities implemented during the financial year 2020/2021 were not aligned to the NDP-III, which negatively affects the full realization of NDP-III sector objectives. • Out of the total warrants of UGX. 5.99 Bn received during the financial year, UGX. 5.36 Bn was spent by the entity resulting in an unspent balance of UGX. 0.638 Bn representing absorption level of 89.36%. These funds were meant for activities that were not fully implemented by the end of the financial year, and these include; Procurement of ICT equipment, Procurement of a healthcare insurance scheme for staff, Advertising and marketing campaigns. • PAYE amounting to UGX 23,400,000 was not recovered from the Executive Secretary's monthly benefits contrary to the Income Tax Act 1997 (As amended) • Although 49 positions were required to be filled during the year under audit, I noted that by the end of the year only 20 (40.8 percent) had been filled resulting into a staffing gap of 29 (59.1 percent). A further analysis of vacant positions revealed that the Board lacked key top management personnel including Directors, Managers for all the 4 Directorates and a Senior Internal Auditor. Understaffing stresses the existing staff and affects effective implementation of all planned activities
	LANDS SECTOR	
1.	National Physical Planning Board (NPPB) <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.4.469Bn, UGX.4.469Bn was spent by the entity representing an absorption level of 100%. I noted that of the 06 quantified activities worth UGX.0.768Bn assessed; five (5) activities representing 83% were partially implemented while one (1) activity representing 17% was not implemented. I observed that the budgets for the six outputs assessed were not supported by individual activity costings/budgets and the Board did not submit performance reports for the year under review.

		• I noted that the board did not have substantive staff despite having an approved staff structure of 35 positions. The board had only three (3) staff on secondment and twenty (26) on assignment of duties.
2.	National Housing and Construction Company Limited (NHCCL) 2020/21 <u>Opinion</u> Unqualified	• I noted that the Company included a gain on fair valuation of investment property undertaken amounting to UGX.18 billion basing on the valuation undertaken in the financial year ended 30th June 2022. However, there was revaluation of the investment property as required under IAS 40 at the end the accounting period ended 30th June 2021 due to the prevailing COVID 19 lock down during the year. • As at close of business 30 June 2021, the Company had unremitted statutory obligations of UGX. 5.9 billion which related to Value Added Tax (UGX. 2.5 billion), Pay as you Earn (UGX. 2.0 billion) and National Social Security Fund (UGX. 1.5 billion). • As at close of business on 30 June 2021, the Company did not have a governance structure in place to influence how the company's objectives are set and achieved as well as monitoring and addressing risk to optimize performance.
3.	Ministry of Lands, Housing and Urban Development <u>Opinion</u> Unqualified	• The ministry was supposed to receive UGX. 159,525,734,214 out of which UGX.143,686,352,595 was warranted, resulting in a shortfall of UGX. 15,839,381,619 The shortfall represents 11% of the approved budget. • Out of the total warrants of UGX. 143.6 Bn received during the financial year, the entity submitted invoices totalling UGX. 142.7 Bn resulting in un-utilised warrants of UGX 0.948Bn representing an absorption level of 99.3%. • I noted that out of the fifty-five (55) activities worth UGX.24.244Bn assessed, twenty-seven (27) activities were partially implemented, while seventeen (17) remained unimplemented. I noted that a total of UGX. 131.9m was irregularly diverted from the activities on which they were budgeted and spent on other activities. • Whereas payables reduced from UGX 249Bn in the previous financial year to UGX 203Bn I noted that the payables figure remains significant. • The entity made payments amounting to UGX 19Bn to acquire 4 pieces of land (Ranches) measuring 2339.04 Hectares for ranches which had been fully compensated. Out of the 31 pieces of land measuring approximately 21 hectares held, 25 pieces of titled land measuring approximately 17 hectares were not recorded in the entity land/assets register and GIFMS fixed asset module. • The ministry is understaffed, with only 513 out of the 1,050 approved staff establishment, leaving 537 (51%) vacant. • The ministry did not provide an adequate budgetary provision for settlement of liabilities relating to court awards and compensations amounting to UGX.165Bn.

4.	Albertine Region Sustainable Development Project (ARSDP) – MoLHUD Opinion Unqualified	• Out of the budgeted IDA disbursement of UGX.28,056,477,734 for the year 2021/2022, only UGX.27,026,553,795 (96%) was disbursed, leading to a shortfall of UGX.1,029,923,940 (4%). • Out of the available funds to the project in the year of UGX.43,970,076,060 (Disbursement in the year and balance brought forward UGX.16,943,522,266), only UGX.24,827,886,040 (56%) was spent, leaving unspent balance of UGX.19,142,190,020. • I noted that the project had thirty-five (35) unresolved environment and social related grievances and yet the project was left with approximately two (2) months to close.
5.	Uganda Land Commission. Opinion Unqualified	• The ULC had an approved budget of UGX.93.65bn out of which 76.5bn was received resulting in a shortfall of UGX17.51Bn. This represented a receipt percentage of 82%. • Out of the total warrants of UGX.76.51Bn received during the financial year UGX. 75.42Bn was spent resulting in an unspent balance of UGX.1.08Bn representing an absorption level of 98.6%. • The ULC continued to accumulate payables with the balance as at 30th June 2022 being UGX.138.737Bn which is 22% lower than the balance reported at 30th June 2021. Most of the payables had been outstanding for more than 10 years. • Out of the approved establishment of 80 staff, the commission had 35 officers implying staffing gaps of 45(56%). • I noted that the Commission operated with only 35 staff which is inadequate to implement the new strategic plan yet the new approved structure of 80 staff had not been operationalised. • The outstanding court wards and compensations of UGX. 5.53Bn for the year were not adequately budgeted for. Besides the commission lacks guidelines for settlement of the said liabilities.
	ACCOUNTABILITY SECTOR	
1.	Public Procurement and Disposal of Public Assets Authority (PPDA) Opinion Unqualified	• PPDA had an approved budget of UGX.23.28Bn out of which UGX.19.52Bn was warranted, resulting into a shortfall of UGX.3.76Bn which represents 16.15% of the approved budget. The deficit in the budget negatively impacted service delivery. • According to the staff establishment, the approved number of positions for PPDA is 140, out of which only 103 positions were filled, leaving 37 positions vacant, which is 26% of the workforce. Failure to fill the staff establishment hampers service delivery and adversely affects the day-to-day running of the Authority.
2.	Competitiveness and Enterprise Development Project (CEDP) Component 1- Land administration IDA CREDIT	• A total of UGX.17.786Bn was received to be spent on different outputs during the year under review, and only UGX.9.155Bn (51%) was utilized leading to under-absorption of UGX.8.634Bn (49%). As a result, several planned activities were not implemented.

	AGREEMENT CR 52690-UG PROJECT ID P130471-2022 <u>Opinion</u> Unqualified	• A review of the contract for the production of base maps for land administration in Uganda awarded to a firm at a contract price of Euros 4,712,135 revealed a contract performance of 89% despite having paid Euros 4,294,439 (91.1%) of the contract price.
3.	Competitiveness and Enterprise Development Project (CEDP) COMPONENT 2-5 IDA CREDITS CR 52690-UG AND 65380-UG PROJECT ID P130471-2022 Opinion Unqualified	• The CEDP 2-5 project had budgeted for UGX.46.9Bn for the FY 2021/2022 to be spent on various outputs, however, only UGX.21.7Bn (46%) was utilised leading to under-absorption of UGX.25.2Bn (54%). Management attributed the poor absorption to the impact of COVID-19 restrictions and disruptions in the supply chain that affected the implementation of planned activities and deliveries relating to procurements that had been undertaken. • A total of USD.7,417,107 was spent by the project on various procurements for which there was no market price assessment. This was in contravention of Section 26 (4) of the PPDA Act. As a result, I was unable to confirm the basis on which the contract prices were determined. • Project management awarded contracts to various suppliers for the supply of Motor Vehicles at a cost of USD.1,322,779 (equivalent to UGX.4.765Bn). A total of UGX.552.8Mn was paid to the suppliers as 20% advance payment while UGX.3.5Bn was used to secure letters of credit from Bank of Uganda in respect of the supplies. Contrary to the delivery schedules stated in the bidding documents of between 90 days to 120 days, the bidder quoted 3-6 months for the delivery of vehicles. After signing the contract, the delivery schedule was revised to 6-7 months due to disruptions in the supply chain caused by COVID-19. The vehicles had not been delivered by the time of reporting in December 2022. Failure to emphasise the delivery schedule could have disadvantaged other potential suppliers, who could have delivered earlier. • CEDP set out to procure a Boat for the Uganda Wildlife Education Centre at a contract price of USD.695,000 (equivalent to UGX.2.5Bn). As at the end of the year, the contract for the supply had expired, the final design had not yet been agreed on and no delivery had been made. The contract had consequently not been performed, leading to delayed service delivery. • The Project effected payments amounting to USD.998,634 (equivalent to UGX.3.55Bn) in respect of the supply, installation and maintenance of the Uganda Wildlife Authority Integrated Financial Management System for which it was observed the contract implementation was marred by irregularities. Several modules purchased including payroll batch processing, recruitment, leave management, and time management were not fully functional and some were never utilized by the Authority. Lapses were noted in technical support management and failure by the system to integrate with the banks. It was also noted that consequently, the Authority abandoned the system and purchased another system to perform the same functionalities. No value for money was achieved in the procurement.
4.	Microfinance Support Centre Limited 2020/21 <u>Opinion</u>	• MSC did not have a strategic plan aligned to NDPIII contrary to Section 13(6) of the PFMA, which requires that the annual budget shall be consistent with the National Development Plan, the Charter of Fiscal Responsibility

	Unqualified	(CFR) and the Budget Framework Paper (BFP). In addition, the strategic objectives outlined in the strategic plan were not specific and measurable, limiting performance assessment. • It was observed that During the financial year 2020/21, out of the approved budget of UGX.401.643bn, UGX.402.617bn was realized, and UGX.370.683bn was spent. Out of the budget realized, MSC failed to absorb funds to a tune of UGX.31.934bn representing 7.93% of the realized funds limiting the service delivery. • An audit of expenditure revealed that MSC effected reallocations/ virements on the budget line items worth UGX.1,015,000,000 from the departments of Finance, Administration and Human Resources, affecting the implementation of the planned outputs. • A review of the loan portfolio of the company revealed that a total of UGX.126.37 billion relating to conventional lending was outstanding in loans and advances as at 30th June 2021. The portfolio had grown from UGX.75.14 Bn in 2019 by UGX.57 billion over the three years to UGX.126.37 Billion, locking funds to other befitting clients. • During FY 2020/21, the MSCL Board approved the write-off of 167 loans amounting to UGX.4,682,672,669 without following the Public Finance Management Act 2015, which requires approval by the Parliament on write off above 10 million. The total loans written-off (incl. Principal, interest and charges/penalties) over the same period amounted to UGX.27,515,715,35. I noted that FYs 2020/21 (20.7%), 2014/15(37.9%) and 2012/13 (19.1%) accounted for the highest proportion of loan write-offs attributed when compared to the total loan amount disbursed over since 2005. The write-offs lock funds to befitting potential clients. • Under absorption of emyooga funds. Out of the receipts of UGX.337.72Bn, a total of UGX.304.3 Bn (90%) was spent and/or disbursed by the entity, leaving a balance of UGX.33.3bn (24%) limiting the service delivery. • Over 6,326 EMYOOGA SACCOs validated and financed through Microfinance Support Centre by June 2021 were in operation without acquiring a license to operate from the Uganda Microfinance Regulatory Authority. • Microfinance Support Centre Limited disbursed funds worth UGX.7.750Bn to 252 unregistered SACCOs as of 31st March 2021, exposing public resources to the risk of loss. • Out of the funds that were disbursed as grants to various constituencies SACCOS, UGX. 34,716,666,049 remained un-accessed by the beneficiary SACCOS as at 30th June 2021, rendering the transferred fund idle. • Physical inspections in Kayunga District revealed that a total of UGX.500,000,000 disbursed by various SACCOs was never supported by loan agreements. There was no evidence to support the existence of the borrowing by associations, and beneficiaries could not be traced hence misappropriation. • It was observed that from a sample of the SACCOs that were inspected, a total of 140 associations that had accessed loans worth UGX.3.52bn, from the Apex Constituency SACCOs, had defaulted in payment of UGX.2.49bn by the time of verification, representing 70.74% default rate. • A review of the SACCOs' documentation regarding disbursements of loans to the different beneficiaries revealed the absence of loans agreements with some borrowers exposing the funds to the risk of default.

		• A review of the draft financial statements revealed that a total of UGX.600,000,000 was reported held on a suspense account. The funds relate to unresolved receipts and disbursements • An audit of the fixed assets registers indicated that a total of UGX.4,582,946,000 was reported as the value of Plant property and Equipment as at 30th June 2021 for which a total of 554 fixed assets were carried at zero Netbook Value, while they were still in use by the company hence understating the asset values in the financial statements. • MSCL wage and other staff-related costs have increased to UGX.11,117,980,000 over the years, representing 211% variance from the approved Government wage ceiling. • I observed that during the period under review, a total of UGX.57,667,906,500 was disbursed to various beneficiaries in the form of special Grants without a grant management policy. • The Government of Uganda debt stock as of 30th June 2021 revealed that the Islamic Development Bank had disbursed USD.3,950,000 to the GOU of which only 39.5% had absorbed.
5.	Enterprise Uganda Foundation <u>Opinion</u> Unqualified	• The Foundation does not have a comprehensive database for all MSMEs in Uganda contrary to Clause 3.3(A) of the Memorandum of Understanding with the Ministry of Finance, Planning and Economic Development to promote the development of Medium Small and Micro Enterprises (MSMEs) in Uganda. There is a risk that some MSMEs missed out the opportunities provided by the Foundation. • One of the objectives of the Foundation is to create and nurture special interest groups like Women and Youth to become effective entrepreneurs and enhance the productivity, growth and competitiveness of MSMEs in Uganda. However, the criterion utilized in selection of these beneficiaries was not in place. There is a likelihood of deserving MSMEs missing out the opportunities of services delivered by the Foundation.
6.	Privatization and utility sector reform project (operations account) FY 2020/21 <u>Opinion</u> Unqualified	• There was unauthorized Over Expenditure on Wages of UGX. 1,884,571,00. Whereas UGX. 1,500,000,000 had been appropriated, UGX. 3,344,571,000 was spent. • I established that the Unit did not have any quantified outputs, and as such, no assessment as to the extent of implementation was undertaken. I was therefore unable to establish the reasonableness of individual activity costs for each planned output • I noted that the Government had entered into concessions with various Government and private organizations for the provisions of different services, but the Accounting Officer had failed to recognize the same in the statement of financial. The organizations include; Dairy Corporation Ltd, Kilembe Mines Limited, Nile Hotel International Limited, Uganda Electricity Distribution Company Limited, Uganda Electricity Generation Company Limited, Uganda Railways Corporation, Uganda seeds Limited (Nyakatonzi cooperative Union), Uganda Seeds Limited (Farm Input Care Centre Limited [FICA}), Uganda Livestock Industries Limited (Kiryana Ranch), Uganda Livestock Industries Limited (Kyempisi Ranch) and Uganda Livestock Industries Limited (Aswa Ranch-Partial Sale of 297 Hectares). • During the year under review, I observed that PU had down sized affecting several operations of the Unit that include among others, non-renewal of contracts for most staff (current staff are only 3), reduction of staff salaries

		due to non-availability of budget to fund the unit operations and non-renewal of the rent agreement for the units office premises among others. • I noted that Privatization Unit had continued to irregularly accumulate domestic arrears. The value of arrears grew up to UGX.10,377,057,000 from UGX.10,278,272,000 of the previous year. A review of the composition of the payables revealed that UGX.9,984,335,000 (96% of the total payables) relates to Pay as You Earn (PAYE). • I also established that currently, the Unit has a DRIC committee that is fully constituted in accordance with the applicable laws. It was, however noted the appointments of the members to the committee were never time-bound, and as such, some members had served for over 10 years.
7.	Unfpa Funded Programme Component of Data and Population Dynamics Implemented by National Planning Authority (NPA) Dec 2021 Opinion Unqualified	• I noted that NPA paid VAT amounting to UGX.2,023,200 on its supplies contrary to Clause 9.1.3 of the general terms and conditions of the agreement between NPA and UNFPA which considers such expenditure ineligible unless the IP can satisfy the UNFPA that it is unable to recover the VAT. • I noted that payments to some consultants amounting to UGX.3,881,400 were made basing on budgeted figures which were higher than the contract/invoice prices, of which, UGX.1,995,000 was recovered and refunded to UNFPA, leaving the balance of UGX.1,886,400 outstanding. • I noted that NPA paid UGX.5,464,900 as reimbursable costs claimed by a consultant without evidence of any addendum to the service provider's contract. • I noted a payment of UGX.4,770,000 reimbursed to different participants of a virtual meeting deposited on one bank account lacked support payment schedules. • I noted that the NPA did not withhold UGX.9,279,123 from payments made to service providers who are not exempted from WHT. The non-compliance impacts Government efforts to raise revenue for provision of public services.
8.	UNFPA funded programme component of data and population dynamics Implemented by Uganda Bureau of Statistics December 2021 Opinion Unqualified	• No Significant matter to report on.
9.	The Project for Financial Inclusion in Rural Areas (PROFIRA) Opinion	• There were delays in disbursement of project funds by Government of Uganda (GoU), for counterpart funding. As at 30th June 2022, counterpart funding received amounted to UGX.3.28 Billion against a budgeted amount of UGX.3.67 Billion for the year. This represents 89% of the projected commitments. The Government funding was

	Unqualified	meant to cater for contract renewal of the Government-funded staff until project closure, costs for conducting project completion activities and operating costs. • I observed that there was no exit strategy in place. During the last implementation support mission, PROFIRA Management agreed to work closely with the Ministry of Finance, Planning and Economic Development (MoFPED) and the Parish Development Model (PDM) Secretariat to develop a clear proposal for MoFPED to consider scaling up PROFIRA's expertise and knowledge in the current Government programmes of Financial Inclusion. Furthermore, PROFIRA was to develop a proposal for the deployment of revolving funds to Community Savings and Credit Groups (CSCGs)/Village Savings and Loan Associations (VSLAs) and other SACCOs already in existence for consideration under PDM. • I observed that the GoU and IFAD agreed to offer additional contracts to two contracted Service Providers till November 2022, to ensure that grant funds are fully and properly utilized, and that outcome measurement of the grant is facilitated. During audit examination, I however noted that the contracts have not been signed and implemented. • Whereas there were set standards for the financial management and monitoring of performance of the grant, to a tune of UGX.4,728,805,337, the project is coming to an end without proper modalities for monitoring and supervision.
10.	The Project for Financial Inclusion in Rural Areas (PROFIRA) 2020/21 <u>Opinion</u> Unqualified	• I noted that, as reported in my report for the year ended 30th June 2020, Government of Uganda has not yet honored its obligation of UGX.5.6Bn as co-funding for the Project. The project entirely depended on the IFAD funding in implementing its activities • I observed that the project has been supporting SACCO's that were not registered by Uganda Microfinance Regulatory Authority (UMRA). Un-registered SACCO's are unregulated and this could result into loss of member deposits and endanger the sustainability of the Project-supported SACCOs.
11.	Resource Enhancement and Accountability Programme (REAP) <u>Opinion</u> Unqualified	• No reportable issues.
12.	Directorate for Ethics and Integrity (DEI) <u>Opinion</u> Unqualified	• Out of the total warrants of UGX.10.833Bn received during the financial year UGX.10.562Bn was utilized by the Directorate resulting into unutilized warrants of UGX.0.562Bn, representing absorption level of 97.5%. Un utilised warrants signify failure to utilise availed funds which negatively impacts service delivery. • Out of the domestic arrears balance of UGX.442Mn at the beginning of the year, only UGX.122Mn (28%) was paid, while the balance of UGX.319Mn still remained outstanding during the Financial Year 2021/2022. Delayed settlement of arrears could lead to costly litigation and loss to government.

		• The Directorate of Ethics and Integrity (DEI) has an approved staff structure of 122, but only 54 (44.3%) were filled leaving 68 (55.7%) positions unfilled. Failure to fill the staff establishment hampers service delivery and adversely affects the day-to-day running of the Directorate. • Management spent a total of UGX.248.883Mn on micro procurements without use of request for quotations, contrary to the PPDA Act Section 79 (1) Subsection 5(C) and 7(C) Fourth Schedule, that specifies the conditions for use of Procurement Methods for Micro Procurement and Quotation and proposal method. This could lead to uncompetitive prices and failure to maximize value for money. • The Directorate irregularly used direct procurement for the purchase of vehicles at a cost of UGX.1.046Bn, contrary to PPDA Guidelines 2014 Paragraph 1, Thresholds for Procurement of supplies and non-consultancy services, method. This could also lead to uncompetitive prices and failure to maximize value for money. • A review of the governance structures indicated that there was neither specific structure that steers and oversees ICT implementation nor an approved IT staff structure while at the same time the expected ICT Unit of two staff, only one position had been filled.
13.	Privatization and utility sector reform project (divesture and redundancy account) FY 2020/21 Opinion Unqualified	• I observed that for the period under review, there was no evidence that a report was submitted to Parliament by the Minister on the steps taken to implement the Act.
14.	National Lotteries and Gaming Regulatory Board (NLGB) 2021/22 Opinion Unqualified	• Out of the approved budget of UGX.8.370Bn, a total of UGX.8.310Bn was warranted, resulting into a shortfall of UGX.0.06Bn representing 0.72% of the approved budget. I further noted that of the total warrants of UGX.8.310Bn, the Board spent a total of UGX.7.528Bn resulting into unspent warrants of UGX.0.782Bn. Unreleased and unutilised funds signify failure to implement all the planned activities which negatively impacts service delivery. • The Board remained understaffed with only had 36 positions out of 51 approved positions leaving a gap of 15 positions, representing 30% of the approved structure. Understaffing constrains effective service delivery. • The Board failed to prepare 4 Statutory Regulations to regulate the industry contrary to the provision of Section 70 of the Lotteries and Gaming Act, 2015. • I noted that the entity failed to prepare a National Register of gaming or betting machines and devices, as provided for under Section 36 of the Lotteries and Gaming Act, 2015. Absence of a register of machines and equipment being used in the industry, complicates monitoring and renewal of licences and also exposes the industry players to risks of using inappropriate machinery and equipment. • I carried out a review of management of IT investments at the entity and noted that; ○ 138 IT assets (100%) inspected over the period under review were not accurately recorded in the Assets register.

		○ The Board's IT department was inadequately staffed, with only one staff out of the required three. ○ The Board did not have a business continuity plan in place. • Such weaknesses negatively impact on the capacity of IT to effectively facilitate the management of the entity's operations.
15.	Bank of Uganda 2021 <u>Opinion</u> Unqualified	• No material findings
16.	Capital Markets Authority 2020/2021 <u>Opinion</u> Unqualified	• No material findings
17.	COVID-19 Economic Recovery And Resilience Response Program (CERRRP) 22nd May 2020 to 30th April 2021 <u>Opinion</u> Unqualified	• No material findings
18.	Deposit Protection Fund <u>Opinion</u> Unqualified	• No material findings
19.	Housing Finance Bank Limited for the year ended 31st December, 2021 <u>Opinion</u> Unqualified	• No material findings
20.	Housing Finance Bank Limited - Pool Houses Collection Account <u>Opinion</u> Unqualified	• No material findings
21.	Housing Finance Bank Limited - Pool Houses Collection Account <u>Opinion</u> Unqualified	• No material findings

22.	Postbank Uganda Limited 31st Dec, 2021 <u>Opinion</u> Unqualified	• No material findings
23.	Pride Microfinance Limited (MDI) 31st December, 2021 <u>Opinion</u> Unqualified	• No material findings
24.	The Resource Enhancement and Accountability Programme (REAP) 2020/21 <u>Opinion</u> Unqualified	• No material findings
25.	Uganda Development Bank (UDBL) 31st December, 2021 <u>Opinion</u> Unqualified	• No material findings
26.	Uganda Seeds Limited 2020/21 <u>Opinion</u> Qualified	• I noted that in the Statement of Financial Position, the company reported a current account balance of UGX.1.221Bn which was not backed by any schedule and/or supporting documents. I was unable to confirm the correctness of the current account balance reported in the financial statements. • A total of UGX.110Mn in outstanding receivables was not supported by any documentation or schedule to enable independent confirmation of the value. • I noted that whereas the Company reported net cash flows of UGX.13.77Mn as per statement of cash flows (page 11), this was not reported in the statement of financial position. • I observed a reduction in capital reserves of UGX.57.6Mn in the statement of changes in equity, however, the change in the capital reserves was not in line with the reported net loss in the statement of profit or loss of UGX.62.6Mn, thereby occasioning an unexplained variance of UGX.5Mn. • The Company did not have any quantified outputs, and as such, no assessment as to the extent of implementation was undertaken. • Uganda Seeds Limited did not have an approved strategic plan and budget to guide and support the company's Management undertaking its stewardship roles.

		• I noted that whereas the board had leased property to a private firm for a period of 30 years, over the years the firm had used the properties to secure loan facilities from different funders and created mortgages over the same without authorisation from the Board. • UNRA is in the process of tarmacking the Masindi-Kinyara-Biiso Road which would affect some of the land currently subleased to the concessionaire however no disclosure was made in the financial statements in regard to the over 3 acres of land to be taken over by UNRA upon compensation. • Physical inspections conducted revealed that there was gross mismanagement of the assets and abandonment of most of the buildings. Many assets were obsolete and were observed not to be maintained as agreed upon. I further noted that most buildings lacked a roof and were uninhabitable. • I noted that there was no evidence of any board meetings. I also noted that the company last filed a board resolution in 2005 and that the company file at Uganda Registration Services Bureau (URSB) lacked any resolution of the AGM appointing the directors and no evidence that AGM had ever been held.
27.	Young Africa Works Uganda – Lead Firm Structure Project 5th November, 2019 to 31st December, 2020 Opinion Unqualified	• No material findings
28.	Uganda Microfinance Regulatory Authority (UMRA) Opinion Unqualified	• UMRA had an approved budget of UGX.7Bn out of which UGX.6.75Bn was warranted leading to a shortfall of UGX.0.25Bn (0.04% of the budget). As a result, some planned activities could not be implemented. • There is an apparent conflict between Section 28 of the Tier-4-Microfinance-Institutions-Money-Lenders Act, 2016 and Section 51 of the Public Finance Management Act, 2015 with regard to the period for submission of financial Statements to the Auditor General. The former prescribes three months while the later provides 2 months after the end of the financial year. • I noted the following matters in the management of the licensing mandate of the Authority over SACCOs and Money lenders; • Challenges in licensing of SACCOs arising out of a conflict of laws between the Tier 4 Microfinance Institutions and Money lenders Act and the Cooperative Societies Act 2020 resulting in low registrations. • Failure by the Minister to put in place the maximum interest chargeable by the different money lenders contrary to the requirements of the Act. • Absence of clear guidelines for the determination of 'fit and proper persons' for purposes of money lenders.

		• Failure to constitute the SACCO Stabilisation Fund and the SACCO Savings Protection Fund contrary to the law.
29.	Ministry of Finance, Planning and Economic Development (MoFPED) Opinion Unqualified	• I noted that the MoFPED had an approved budget of UGX.815.5Bn out of which UGX.792.8Bn was warranted, resulting in a shortfall of UGX.22.7Bn, which represents 2.8% of the approved budget. Budget shortfalls constrain management is implementing fully, the approved activities and hence service delivery. • Out of the total warrants of UGX.792.8Bn received during the financial year, UGX.782.4Bn was utilised by the Ministry resulting in unutilized warrants of UGX.10.34Bn representing absorption level of 98.7%. As a result, I noted that of the 64 outputs that I sampled, Eighteen (18) outputs were fully implemented, thirty-six (36) outputs were partially implemented, Seven (7) out puts were not implemented, while Three (3) out puts could not be assessed. Failure to fully implement all planned activities negatively impacts service delivery. • The Ministry did not have a running strategic plan to facilitate achievement of the NDP III objectives. This poses a risk of non-attainment of NDP III objectives since the strategic plan that would serve as basis for the annual plan and budget that is being implemented is non-existent. • Domestic arrears stock was reported as UGX.473Bn as at the end of the financial year 2021/22 up from UGX.268.9Bn in F/Y 2020/21 representing 76% increase. The Domestic arrears are not given appropriate budget provision hence accumulation of the stock. Failure to budget and pay arrears negatively impacts the creditworthiness of the Ministry and could result into penalties and costly litigations. • The Ministry did not disclose contingent liabilities worth UGX2.839Bn in the memorandum statement of Contingent liabilities. This denies end users of the Financial Statements useful information for decision making. • The Ministry has seven (7) IT systems which were not integrated or not automatically sharing information with other systems. This could lead to duplication of functionalities, procurement of non-compatible solutions and equipment, and general deviation from Government's efforts to rationalize resources for better service delivery.
30.	Contingencies Fund Opinion Unqualified	• The approved budget for the previous financial year (FY2020/21) was **UGX.45.49Trillion**, which would have translated into **UGX.227.47Bn** funding for the Contingencies Fund in the year under review, in accordance with the formula provided in the PFMA, 2015. I however noted the following;

		○ Parliament appropriated **UGX.62.07Bn** out of **UGX.227.47Bn** (27.3%) to the Contingencies Fund, leading to a deficit of **UGX.165.40Bn** (72.7%). ○ Due to an upsurge of COVID-19, additional funds were appropriated via a supplementary budget of **UGX.228.30Bn**, making a total of **UGX.290.37Bn**. ○ Out of the total warrants of **UGX.290.37Bn**, only **UGX.72.06Bn (24.8%)** was released to the MDAs for emergencies, leading to a total deficit of **UGX.219.33Bn** (75.5%). • The continued failure to appropriate funds in accordance with the formula provided in the PFMA, 2015 (as amended), is an indicator of noncompliance and defeats the intentions of the law.
31.	Treasury Operations Opinion Unqualified	• The Treasury Operations had an initial approved budget of **UGX.15.094Tn** which was later revised to **UGX.17.863Tn**. Out of the revised Budget, **UGX.17.391Tn** was warranted, out of which, **UGX.13.959Tn** was utilized by the entity resulting into an unutilized balance of **UGX.3.432Tn** representing a performance level of 80.26%. Audit however noted that the entity remained with a total of **UGX.4.661Tn** as payables at year end. • There are was a significant change of the reported payables from **UGX.2.345Tn** to **UGX.4.583Tn** resulting into an increase of **UGX.2.238Tn** representing 95%. The significant increment in the liabilities was due to the International Court of Justice ruling in favour of Democratic Republic of Congo to a tune of UGX.1.228Tn and the assumption of Uganda Telcom liabilities of UGX.0.028Tn. • Audit noted that as regards the management of Boards for Corporations and companies in which Government has shareholding, there were no clear guidelines, policies or regulations for the management, appointment, evaluation or determination of such Boards. • The government is defaulting on the payment of an outstanding balance of **USD.889,411.24 (UGX.3,343Bn)** out of a total **USD.1,659,450.22** as a 10th Instalment for 51 callable shares from African Development Bank (ADB). Failure to pay-up on callable shares puts the country at a risk of losing paid up shares and the corresponding callable shares in the Bank.
32.	Microfinance SupportCenter (MSC) Opinion Unqualified	• Out of the approved budget of **UGX.154.18Bn** for capital expenditure, Emyooga grant and other recurrent expenditures, **UGX.146.85Bn** was realized and **UGX.125.65Bn** was spent, leaving **UGX.21.**2Bn unspent which represents 14.4% of the realized funds. Unspent funds represent services not delivered. • A total of **UGX.1.44Bn** was disbursed as additional capitalization to the existing EMYOGA SACCOs when they had not made recoveries of above 70% of the first seed capital disbursed, as evidenced by the loan disbursement and recovery schedules submitted by the respective SACCOs. This can lead to disbursements to SACCOs that are already at default. • The loan portfolio of the company has grown from **UGX.105Bn** in 2020 to **UGX.146Bn** over the three years representing a 39% growth. However, a total of **UGX.3.7Bn** was disbursed to several clients without undertaking adequate loan appraisal documentation, hence an increase in default risk exposure as well as potential loss to government.

		• I reviewed the loan portfolio and noted that an average of 53% and 52% of impaired loans was registered in the financial years 2019/20 and 2020/21 respectively, while there has been a progressive increase to 71% in the financial year ended 30th June 2022. Such increases imply that there are more loans that are likely to become uncollectable and therefore leading to loss to government. • I noted weaknesses in the IT systems which include; o There was no evidence of systems ownership o The two systems operated by the entity were not integrated or not automatically sharing information with other systems. o There were no specific structures that steer and oversee ICT implementation. o There was no approved IT risk management framework/policy and risk register at the entity. o There was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014.
33.	National Population Council (NPC) Opinion Unqualified	• The entity was supposed to receive UGX.16.191Bn out of which UGX.12.742Bn was warranted, resulting into a shortfall of UGX.3.449Bn. The shortfall represents 21.3% of the approved budget. As a result some activities planned for the year, were not implemented, which negatively impacts on service delivery. • The entity had an approved staff structure of 97 positions, out of which 74 (76%) positions were filled, leaving 23 (23.7%) positions not yet filled. Staffing gaps constrain the entity in implementing its mandate effectively. • NPC staff were paid a salaries amounting to UGX.4.01Bn for the F/Y 2021/2022 off the IPPS and yet the human resource system was procured for payroll management. This creates an opportunity for payment of ineligible staff and creation of non-existent staff/pensioners. • I carried out a review of management of IT investments at the entity and noted that; • Three (3) IT systems /equipment acquired at UGX.415Mn had no clearance from NITA-U, while IT systems/equipment costing UGX.342Mn did not have clearance from MoFPED. • Two (2) Multi-year system implementation projects worth total of UGX.342Mn did not have approval from Parliament. • The National population data bank and the KMIS systems costing UGX.342Mn were not being utilized by NPC. • Absence of ICT governance structures hampers formulation of appropriate ICT policies, strategies and may lead to misalignment of IT investments with the overall strategic objectives.
34.	Procurement and Disposal of Public Assets Authority (PPDA) Opinion Unqualified	• PPDA had an approved budget of UGX.23.28Bn out of which UGX.19.52Bn was warranted, resulting into a shortfall of UGX.3.76Bn which represents 16.15% of the approved budget. The deficit in the budget negatively impacted service delivery.

		• According to the staff establishment, the approved number of positions for PPDA is 140, out of which only 103 positions were filled, leaving 37 positions vacant, which is 26% of the workforce. Failure to fill the staff establishment hampers service delivery and adversely affects the day-to-day running of the Authority.
35.	Uganda Property Holdings Limited (UPHL) Opinion Unqualified	• The entity budgeted to collect UGX.11.16Bn revenue and collected UGX.10.88Bn resulting into an underperformance of UGX.0.28, which was 2.6% of the budget. The underperformance in NTR collections was partly attributed to the depreciating value of the Uganda shilling against the Kenyan shilling and the Great Britain Pound. • I noted that the entity had receivables from UGX.4.7Bn in the statement of financial position at year-end implying that these were not honoured within the 15 working days as required by regulations thereby holding up funds which would have been used to implement planned activities. • A review of the properties owned by the Government of Uganda within and outside the country revealed that several commercial properties are not owned and managed by UPHL, yet the company was established majorly to hold, invest in and control the real estate properties of the Government of Uganda. The properties risk being condemned because of poor management. • The company procured IT systems which were not integrated thereby not meeting the intended objective of shared information.
36.	Uganda Property Holdings Limited (UPHL) 2020/21 Opinion Unqualified	• I noted that Uganda Property Holdings Limited did not manage some Government Commercial properties. This company was established principally to own, invest in and control the real estate Properties of the Government of Uganda. As a result, some commercial buildings in Nairobi, Kinshasa, and London are not well maintained to the extent of being at risk of condemnation by the relevant city authorities, like the Commercial Building in Nairobi. Management explained that the cabinet is handling the issue, and I am waiting for the cabinet's decision. • Uganda Property Holding has 39 properties comprising of 23 in Mombasa, 12 in Uganda, and 4 in the UK. I reviewed all ownership documents for the said properties and found that two properties did not have certificates of title, namely, Plot M82, Masese, Jinja, and Plot KRC Mbaraki, Mombasa. I advised management to follow up on the above properties and secure their ownership by obtaining the certificate of titles.
37.	Uganda Bureau of Statistics (UBOS). Opinion Unqualified	• Out of the total warrants for the financial year of UGX.67.52Bn, the Bureau utilized warrants amounting to UGX.60.12Bn resulting in unutilized warrants of UGX.7.4Bn representing an absorption level of 89.2%. As a result, I noted that of the 124 quantified activities worth UGX.23.6Bn assessed, 90 activities representing 72.6% were fully implemented, 22 activities representing 21.8% were partially implemented, while 7 activities representing 5.6% were not implemented. Failure to fully implement planned activities negatively impacts service delivery. • A review of the staffing structure for UBOS revealed that out of the total approved staff establishment of 413 staff, only 285 (69%) positions were filled, leaving 128 (31%) positions vacant. Understaffing negatively impacts on the Bureau's capacity to deliver services.

		• I noted that the buildings located at UBOS Entebbe Office were in a poor state, and are were due for demolition. Although UBOS has an architectural plan for redevelopment of the UBOS office into the East African Bureau of Statistics and a training centre, funding for the construction works has not yet been secured.
		• I noted that Parish Development Model (PDM) baseline data collection exercise had only commenced in 169 out of 181 Higher Local Governments (HLGs) and the exercise was incomplete and behind schedule at a completion rate of 41%. The data processing at the Bureau had also been affected by limited access granted by the Ministry of ICT and National Guidance (MOICT&NG) to the data collected from the local governments which is affecting the initial implementation of Parish Development Model.
		• I noted that several procurements to the tune of UGX.1.08Bn were not executed as of 30th June 2022. As a result, implementation of critical government programs was delayed.
		• I noted inadequate management of grants from development partners relating to three projects under the Bureau;
		  o I observed that the Bureau received UGX.5.15Bn from the Ministry of Education and Sports for the Baseline Education Census Project funded by World Bank. However, I noted that the exercise was delayed and only UGX.1.2Bn had been utilized by the time of audit (November 2022) for the recruitment, procurement of tools for the census, and training of project staff.
		  o During the FY 2021/2022, the Bureau received UGX.2.14Bn for the project: Support of the Advancement of the Uganda Annual Agricultural Survey (AAS). However, the Bureau failed to absorb part of the funds and refunded UGX.1.87Bn to the FAO International Representative.
		• Failure to absorb project funds leads to delayed service delivery.

38.	URA Corporate Opinion Unqualified	• The Authority had a revenue collection target of UGX.22,802.62Bn, out of which UGX.22,098.06Bn (96.9%) was collected. Under-collection of revenue affects the overall delivery of Public services by the Government. • Out of the planned 493 compliance audits, only 227 (46%) were carried out, implying that the corrective actions that would have been undertaken to enhance tax compliance were impeded. This negatively affected revenue collection. • Despite several tax heads having 0 (zero) budgeted revenue, a total of UGX.370.58Bn was collected from the tax heads in question - contrary to the provisions in Paragraph 4.19.3 of the Treasury Instructions, 2017 and Section 45(3) of the PFMA, 2015. • URA did not have documented step-wise processes on the importation and exportation of precious minerals. As result, the Gold exports were not being captured in the customs systems – ASYCUDA and Taxes arising out of Gold exportation to the tune of UGX.340.56Bn were not collected.

		• URA was not able to receive and reconcile taxes amounting to UGX.182.9Bn which was received by BOU from MDAs, arising from missing IFMS details on the amounts. This resulted in the misstatement of revenue collected per tax head and taxpayers' accounts. • A total of 13,555 customs entry declarations with assessed taxes of UGX.133.16Bn had not been paid as of the end of the year. This implies delayed or lost Government revenue and distorts the Government's cashflow planning and management. • Some companies were importing rice from an EAC partner state free of VAT, potentially causing a revenue loss of UGX.240.62Bn. •
39.	URA Revenue Collection Account Opinion Unqualified	• The Authority had a revenue collection target of UGX.22,802.62Bn, out of which UGX.22,098.06Bn (96.9%) was collected. Under-collection of revenue affects the overall delivery of Public services by the Government. • Out of the planned 493 compliance audits, only 227 (46%) were carried out, implying that the corrective actions that would have been undertaken to enhance tax compliance were impeded. This negatively affected revenue collection. • Despite several tax heads having 0 (zero) budgeted revenue, a total of UGX.370.58Bn was collected from the tax heads in question - contrary to the provisions in Paragraph 4.19.3 of the Treasury Instructions, 2017 and Section 45(3) of the PFMA, 2015. • URA did not have documented step-wise processes on the importation and exportation of precious minerals. As result, the Gold exports were not being captured in the customs systems – ASYCUDA and Taxes arising out of Gold exportation to the tune of UGX.340.56Bn were not collected. • URA was not able to receive and reconcile taxes amounting to UGX.182.9Bn which was received by BOU from MDAs, arising from missing IFMS details on the amounts. This resulted in the misstatement of revenue collected per tax head and taxpayers' accounts. • A total of 13,555 customs entry declarations with assessed taxes of UGX.133.16Bn had not been paid as of the end of the year. This implies delayed or lost Government revenue and distorts the Government's cashflow planning and management. • Some companies were importing rice from an EAC partner state free of VAT, potentially causing a revenue loss of UGX.240.62Bn.
40.	Uganda Retirement Benefits Regulatory Authority. Opinion Unqualified	• The entity budgeted to receive UGX.14Bn during the year, but only received UGX.12.72Bn which resulted into a shortfall of UGX.1.28Bn which represents 9.1% of the approved budget. As a result, some planned activities such as; Board capacity development, Trustee certification programme and Sector players' workshops were not implemented. This impacts negatively, on service delivery.

		• The approved structure for URBRA provides a staff ceiling of 73, however, I observed that only 42 positions (57.5%) were filled, hence a staffing gap of 31 positions (42.5%) which includes key positions such as one Director and eight (8) manager positions. This limits the Authority's capacity to duly implement all its mandate. • A review of the Authority's procurement plan, procurement files and the annual procurement report/register, indicated that procurements worth UGX.0.114Bn were not implemented. This in turn leads to delayed delivery of services.
41.	Financial Intelligence Authority. <u>Opinion</u> Unqualified	• I noted that the entity did not budget to collect NTR during the year but collected UGX.13Mn. Failure to budget for revenue leads to unauthorized collections and makes it impossible to measure performance. • Review of the entity's staffing structures revealed that out of the total approved structure of 86 staff, only 41 (48.8%) positions were filled and 45 (51.2%) positions had not yet been filled. These included the key posts of; Director Legal, Inspection and Compliance, Director Audit, Director Finance and Administration among others. Understaffing contrains the entity's capacity to effectively deliver its mandate. • The Authority made procurements for a total of UGX0.551Mn without conducting market assessments. Lack of market surveys is not only irregular, but also implies procurements could have been executed at uncompetitive prices, hence impacting on value for money.
42.	Insurance Training College (ITC). <u>Opinion</u> Unqualified	• ITC had an approved budget of UGX.9.177Bn of which UGX.8.325Bn was realized, leading to a shortfall of UGX.0.852Bn representing 9.9%% of the budget. I further noted that out of the total receipts for the year, only UGX.6.332Bn was expensed, leading to a surplus of UGX.1.992Bn representing 69% absorption. Also noted was that out of the eleven (11) planned activities, the entity fully implemented five (5) activities, while four (4) activities were partially implemented, and two (2) activities remained unimplemented. Failure to fully implement all planned activities negatively impacts service delivery. • ITC acquired fourteen (14) IT assets worth UGX.326.9Mn without clearance from NITA-U. Such non-compliance with the government policies and guidelines may lead to duplication of acquisition, non-compatible solutions which can lead to loss to government.
43.	Tax Appeals Tribunal. 2021/22 <u>Opinion</u> Unqualified	• The entity budgeted for UGX.7.6Bn, out of which UGX.7.4Bn was received, resulting into a deficit of UGX.240Mn. The deficit represents 3.2% of the approved budget. The deficit in the budget negatively impacted service delivery. • The entity had an ambitious plan of one hundred fifty thousand and nine hundred twenty (150,920) planned activities worth UGX.2.8Bn, out of which, only seven hundred and eighteen (1,718) activities were fully implemented, hence limiting delivery of the entity's mandate and service delivery. • A total of 163 tax appeal cases worth UGX.882.6Bn were pending, resulting into locking potential government revenue in dispute.

		• Out of the 40 approved posts, only 23 were filled leaving a balance of 17 vacant, which represents 43% of the required manpower for the Tribunal. Failure to fill the staff establishment hampers service delivery and adversely affects the day-to-day running of the Tribunal.
44.	The Inspectorate of Government (IG). <u>Opinion</u> Unqualified	• A total of UGX.17.786Bn was received to be spent on different outputs during the year under review, and only UGX.9.155Bn (51%) was utilized leading to under-absorption of UGX.8.634Bn (49%). As a result, several planned activities were not implemented. • A review of the contract for the production of base maps for land administration in Uganda awarded to a firm at a contract price of Euros 4,712,135 revealed a contract performance of 89% despite having paid Euros 4,294,439 (91.1%) of the contract price.
45.	PPDA Tribunal. <u>Opinion</u> Unqualified	• The budget for the Tribunal was not aligned to its strategic plan creating a risk of the entity not achieving its long term objectives. • The Tribunal did not maintain a detailed risk register of risks that may affect the implementation of activities as detailed in the approved work plans and budgets. • I noted that there was no segregation of duties between the function of the Board of the Tribunal and the Administrative Function. This is because the members of the Tribunal execute both functions.
46.	Insurance Regulatory Authority. <u>Opinion</u> Unqualified	• The Authority collected revenue UGX.20.02Bn out of a budget of UGX.21.55Bn. This was in addition to balance brought forward of UGX.7.69Bn resulting in total funds available amounting to UGX.27.71Bn. I reviewed the Authority's budget implementation and noted that out of the 67 quantified activities assessed worth UGX.2.314Bn; 36 activities representing 54% were fully implemented, 18 activities representing 27% were partially implemented, while 13 activities representing 19% were not implemented. Failure to fully implement all planned activities delays service delivery. • IRA has a staffing structure totaling to one hundred and nine (109) staff of which eighty-six (86) staff positions (i.e. 78% of the approved structure) filled, leaving a balance of twenty-three (23) positions (22%) vacant. Understaffing impacts on the entity's capacity to effectively execute their mandate. • Procurements to the tune of UGX.5.822Bn were not undertaken as of 30th June 2022. As a result, implementation of critical planned programs was delayed.
47.	Public Procurment And Disposal of Public (PPDA) <u>Opinion</u>	• PPDA had an approved budget of UGX.23.28Bn out of which UGX.19.52Bn was warranted, resulting into a shortfall of UGX.3.76Bn which represents 16.15% of the approved budget. The deficit in the budget negatively impacted service delivery.

	Unqualified	• According to the staff establishment, the approved number of positions for PPDA is 140, out of which only 103 positions were filled, leaving 37 positions vacant, which is 26% of the workforce. Failure to fill the staff establishment hampers service delivery and adversely affects the day-to-day running of the Authority.
48.	Capital Markets Authority. Opinion Unqualified	• Out of the approved budget of UGX.6.894Bn, UGX.6.237Bn was warranted and the entity spent UGX.5.246Bn resulting into un-utilized warrants of UGX.975Bn representing an absorption level of 84.32%. As a result, some of the Authority planned activities remained unimplemented, due to failure to absorb all the availed funding, which in turn, negatively impacts service delivery. • The entity paid mandatory (10%) contributions to the National Social Security Fund worth UGX.301.66Mn, and also paid an extra UGX.446.04Mn to a second standard contribution scheme operated by the Authority. This resulted into a double payment of gratuity contributions contrary to the requirements of the Public Service Standing Orders. • The responsible Minister had not constituted the Capital Markets Tribunal to handle disputes arising out of disputes in the sector. The entity also lacked some critical regulations necessary for the management of the activities of the Authority. • The audit of the licensing function revealed that: The Authority conducted irregular licensing without prescribed fees being paid, the entity failed to follow up licensees with expired licenses, the entity failed to collect security deposit from Brokers dealers licensed, lacked evidence of proper due diligence, and also failed to license primary dealers of Government Bonds. Such weaknesses point to challenges in execution of its mandate which could lead to failure to collect all potential revenues. • In the audit of Human Resource management, I noted that the Authority lacked an approved staff and salary structure, contrary to the standing orders. There were also no comprehensive annual performance plans and Job Descriptions for the staff during the year under review. This complicates assessment of staff performance at year end.
49.	Capital Markets Authority (CMA) - Investor Compensation Fund 2022 Opinion Unqualified	• In spite of the Board approving the Capital Markets Authority (Investor Compensation Fund) Regulations, 2018, there was no evidence that the same were gazetted as required under the Interpretation Act Cap 3. This implies that the Fund is being operated with unauthorized legislation.
	INFORMATION COMMUNICATION SECTOR	
50.	Ministry of ICT and National Guidance (MoICT) Opinion Unqualified	• The Ministry budgeted to receive UGX.90Bn from Treasury but received UGX.74.5Bn resulting into a shortfall of UGX.15.5Bn (17%). Revenue shortfall affected the implementation of planned activities.

		• Out of the total receipts for the financial year of UGX.74.5Bn, only UGX.72Bn was spent by the entity resulting in an unspent balance of UGX.2.5Bn representing an absorption level of 97%. As a result, some planned activities were not implemented. • The entity has outstanding payables of UGX.320.471Bn in the statement of financial position of which UGX.320.033Bn is an unpaid pension for former UPTC and UTL staff. Unpaid pension not only exposes government to risks of costly litigation but also denies the pensioners their right to live a decent life. • The Ministry-approved establishment has 103 positions of which 63 positions are filled (61.2%) leaving a staffing gap of 40 positions (38.8%). Understaffing negatively affects the overall service delivery. • I reviewed ICT investment initiatives and noted; ○ There were no specific structures that steer and oversee ICT implementation. ○ The entity has 7 (53.8%) out of 13 positions of ICT staff establishment. All have the required qualifications. ○ There was no approved IT risk management framework/policy at the entity, and risk register. ○ There was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014. • One system, the Academic Information Management System (AIMS), costing UGX.3.0Bn was developed using Innovators and adopted by Government, however, the source codes were yet to be handed over to evidence Government Ownership. • The Ministry budgeted for UGX.12.4Bn for PDM activities, out of which, UGX.9.4Bn was released resulting in a budget shortfall of UGX.3Bn (25%). As a result, planned PDM activities were not fully implemented.
51.	Uganda Communications Employees Contributory Pension Scheme [UCECPS] 2020/21 <u>Opinion</u> Qualified	• I noted that the Actuary/ Asset Consultant did not conduct an actuarial valuation of the scheme for the year under review, and the existing one was done in 2019. • There were unsupported payables of UGX.3.904 Bn, of which Administrative fees of UGX.2.022Bn and Actuarial fees of UGX.442Mn. Under the circumstances, it was difficult to provide assurance that the amounts in question are genuine liabilities to the Scheme. I further noted that the amounts have not changed over the years implying Scheme's inability to settle its obligations. • Disclosed under Note 15 to the Financial Statements on page 22, are receivables recognised by the Scheme amounting to UGX.4.171Bn, up from UGX.4.038Bn the previous year, arising from amounts due from employers (UTL In-Administration). However, these receivables were not supported with any documentation and schedule to confirm the amounts and authenticity, which renders the receivables doubtful. • I further noted that as reported in the previous year, according to UTL in-administration, only UGX.2.466Bn was due to UCECPS, implying a variance of UGX.1.705Bn.

		• During the FY 2020/21, UCECPS realised only UGX.0.311Bn but expended UGX.0.332Bn, representing 106.74% of the realised monies. I noted that the expenditure exceeded the cash collection, and payments were made using the cash balances carried forward from FY 2019/2020. • I established from the statement of Net Assets Available for Benefits on page 14 of the financial statements that the current assets amounting to UGX.4,550,343,000 was due from government. This arose after management on the advice of government, diverted money from the Defined Contributions (DC) active members Fund to pay the increased monthly pensions to the Defined Benefits members, thus creating a deficit/Liability to the scheme. • PS/ST directed that UCECPS transfer the files of all pensioners of UPTC to the line Ministry of Information Communication Technology and National Guidance (MoICT&NG) to facilitate the payment of the pensioners effective FY 2020/2021 in accordance with the decentralisation policy. I noted however that, the decision to streamline pension payments has created uncertainty on the continuity of UCECPSs. • During the year under review, the scheme expected a total sum of UGX.331,340,796 from the Employer (UTL) as a contribution to the members. However, only UGX.310,962,857 was remitted relating to arrears which in turn led to the monthly interest which accumulated to UGX.112,119,561. The total amounts due from the employers (UTL) had accumulated to UGX.4,171,050,819 as of 30th June 2021. • PAYE of UGX.44,867,514 withheld from employees as required during the year was never remitted to URA by the year end. I further noted that the accumulated PAYE arrears stood at UGX.241,677,000. • I noted that the board was not fully constituted as the Government (Founder) had only appointed one representative as of 30th June 2021
52.	Uganda Institute of Communication Technology (UICT). <u>Opinion</u> Unqualified	• Out of the approved budget for the financial year of UGX.11.4Bn, only UGX.6.1Bn was collected by the entity resulting into an under-collection of UGX.5.3Bn representing a performance level of 53.5%. As a result, I noted that of the 15 quantified activities worth UGX.3.95Bn assessed; no activities were fully implemented, while 15 activities representing 100% were partially implemented. Failure to fully implement planned activities negatively impacts service delivery. • I noted that the staff establishment showed that only thirty-seven (37) positions (38%) were filled out of the established ninety-seven (97) positions leaving sixty (60) positions vacant (62%). Most of the vacant positions were key positions that are required to achieve the mandate of the Institute. Failure to fill the staff establishment hampers service delivery and adversely affects the day-to-day running of the Institute. • The Institute was among the 11 entities selected for implementation of Electronic Government Procurement (EGP) system, and hence was required to conduct all its procurement process on the EGP system effective 1/July/2021. However, I noted that the Institute faced a number operational challenges that affected the timely implementation of planned procurements. These included; • The system was unable to update the procurement file directory where; procurement is retendered, where a requisition is rejected before final approval, where procurement is reinstated due to inadequate statement of requirements and where procurement is cancelled.

		• The system network connectivity was noted to be unstable and this delayed implementation of various procurements, which greatly affected service delivery at the Institute. • I noted that several procurements to the tune of UGX.1.06Bn were not initiated as of 30th June 2022. As a result, implementation of critical institute programs was delayed.
53.	Uganda Institute of Communication Technology (UICT). 2020/21 <u>Opinion</u> Unqualified	• The entity budgeted to receive UGX. 3.5 Bn, out of which UGX.2.38 Bn was availed, resulting in a shortfall of UGX.1.11 Bn, which is 31.7% of the budget. Revenue shortfalls affect the implementation of planned activities. • The Institute has total receivables of UGX.440,038,625 in the statement of financial position, which includes an amount of UGX.343,855,528 relating to student debtors. The student-related receivables grew by 11% from UGX.308,954,465 (2019/20) to UGX.343,855,528 (2020/2021). • The institute and staff who were in acting position for more than 6 months, contrary to Section 3.3.5.1 of the UICT Human Resource Manual 2018 that requires that acting appointments not to exceed six (6) months, save for special circumstances approved by the Governing Council. In addition, a review of the staff establishment showed 107 (61%) positions were filled, 68 (38.9%) positions vacant. Unfilled postilions negatively impact the Institute's capacity to have effective service delivery.
54.	Uganda Post Limited <u>Opinion</u> Unqualified	• Receivables were reported at UGX.8.71Bn by close of the financial year, contrary to paragraph 4.2.1 of Posta Uganda's debt management policy 2016, which stipulates that standard terms for sundry debtors are 30 days from the date of invoice. Accumulation of receivables denies the company the cash flows which are vital for service delivery. • The financial statements revealed that UPL's payables increased by UGX.1.9Bn from UGX.14.79Bn as at 30th June 2021 to UGX.16.69Bn in financial year 30th June 2022. Accumulation of payables creates a risk of litigation that may lead to payment of penalties and fines for delayed settlement to possible aggrieved parties in future. • A review of UPL's staff list as at 30th June 2022 and the approved Organisation Structure revealed that out of the staff establishment of 247, only 172 positions were filled, leading to a staffing gap of 75 (30.4%). Inadequacy in staffing leads to inability to fully carry out the mandate hence negatively negatively impacting on staff performance, service delivery and attainmant of company objectives. • The following aspects were noted in regard to management land by UPL; • The Company did not renew leases for three (3) pieces of land. The entity has taken an average of 14 years from the time of expiry of the lease term without having them renewed. This exposes such land to a risk of loss. • I noted that 10 pieces of land did not have their sizes recorded in the land register either in acres or hectares as required. I also noted that 8 pieces of land did not have a value attached to them in form of cost of valuation amount. • I noted that 1 piece of land measuring approximately 0.464 hectares (5.8%) valued at UGX.1.147Bn was not being utilized by the entity.

		• I noted that 1 piece of land measuring 0.612 hectares (7.5 %) valued at UGX 0.465Bn out of the 8.06798 hectares of land owned by the entity had encumbrances in the form of court injunctions. • It was observed that Uganda Post was paid UGX.2.81Bn as compensation for the land and building. However, I did not obtain the details of the application of these monies after the asset was sold off. • • There was no revaluation carried out over the past eight years. Non-asset revaluation implies the carrying amounts of the assets in the financial statements may be misstated. • •
55.	Uganda Communications Commission. <u>Opinion</u> Unqualified	• Out of the total funds available of 200.537Bn, only UGX. 147.082Bn was spent by the entity resulting in an unspent balance of UGX. 53.455Bn representing an absorption level of 73.33%. Un utilised funds imply that some planned activities may not have been implemented, leading to delayed service delivery. • The Commission irregularly paid UGX.228Mn for extra civil works on the installation of Lifts at Communications House. The additional works were not part of the original contract and were not approved by the Commission's Contract Committee, contrary to the procurement regulations. • The Commission did not charge 2% Gross Annual Revenue for Registered Television Stations and FM Radio stations as required by the UCC New License framework on fees and fines under General Notice No. 977 of 2017. This deprives the Commission of revenue. • The Commission does not have procedures on management of confiscated equipment. This may lead to misuse of the confiscated equipment and may deepen disputes and cause financial losses to Government. • The Commission has delayed completion of the National E-commerce Platform aimed at supporting SMEs in the informal sectors of the Agriculture, Retail and Services industry in Uganda, in order to promote access to online sales, overcome challenges in delivering to too hard-to-reach communities and to spur economic growth. As a result, the informal sector is losing out on the benefits of E-commerce. • Eight (8) IT systems/equipment procured at UGX.9.8Bn were not cleared by NITA-U contrary to current guidelines. Besides, six (6) IT systems developed in-house were not being optimally utilized by the entity, while three (3) systems were not integrated or not automatically sharing information with other systems. Such weaknesses reduce the expected efficiencies ICT is supposed to bring in the business processes of the Commission.
56.	Uganda Communications Universal Service Access Fund (UCUSAF) – UCC <u>Opinion</u> Unqualified	• The Uganda Communications (Universal Service and Access Fund) Regulations, 2019 do not provide the sharing ratio and/or details against which the sharing of Fund revenue should be based. During the year under review, the Commission budgeted to transfer UGX.6.5Bn to MoICT&NG for its share from the information and communication

		technology development fund, but the basis for arriving at this figure could not be supported. The lack of these ratios creates uncertainty in funding and may lead to inter-institutional funding conflicts.
57.	Regional Communications Infrastructure Program, Phase 5 – Uganda Project, IDA LOAN NO.5635-UG <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.58.41Bn, only UGX.53.75Bn was spent by the entity resulting into unutilized funds of UGX.4.655Bn representing an absorption level of 92.02%. I noted that of the 19 outputs that I sampled, 12 outputs with 14 activities were fully implemented, 15 quantified activities of the 5 outputs were not implemented. 2 outputs could not be assessed due to lack of performance targets and indicators. Failure to fully implement all planned outputs negatively impacts service delivery. • The Project remained with outstanding payables totalling to UGX.5.08Bn by the end of year, which were as a result of completion works for the last mile project whose payments were not made to the contractors. World Bank/IDA cautioned and notified NITAU and MoFPED that it would not pay or take on any project liabilities after 31st December 2022. This implies that Government may have to bear the burden of paying the respective suppliers. • A total of USD.249,500 was spent without obtaining a no objection from the World Bank in accordance with the funding guidelines. This caused the PS/ST to instruct the Accounting Officer of NITAU to refund the money to abate the risk of affecting funding of other ongoing World Bank Projects. • The Project failed to upgrade the service desk due to the limited time to procure and implement the works before project closure in December 2022. Consequently, a total of USD.664,160.64 was reallocated from the IT service desk budget to upgrade the Data centre.
58.	National Information Technology Authority – Uganda (NITA-U) <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.30.24Bn, only UGX.28.678Bn was spent by the entity resulting in unutilized funds of UGX.1.559Bn representing an absorption level of 94.84%. As a result, I noted that some of the planned activities for the year were not implemented, which negatively impacts on service delivery. • The Authority accumulated receivables and payables to a tune of UGX.28.5Bn and UGX.21.85Bn respectively. The accumulation of receivables was a result of non-consolidation of MDA and LG IT budgets with NITA-U while the payables was a result of the budget cuts on the IT consolidated Budget of MDAs and LGs. • The Authority did not have a fully constituted Board which may lead to NITA failing to have effective oversight functions appropriately undertaken. • I noted a delay in reduction of the cost of internet to USD.20 per MBPS in order to promote connectivity in provision of Government services in the country. Failure to reduce the internet cost will deny service delivery such as affordable communication and electronic learning in both public and private institutions country wide. • The Authority was registering professionals and the training institutions without a prescribed standards or regulations. Over 62 applicants for individual Service Provider and IT institutions applications were received since 2017, 13 of the applicants were certified and only 2 Individual Service Providers have updated certificates while the 11 are expired.

59.	Uganda Broadcasting Corporation (UBC). Opinion Unqualified	• The Corporations Trade and other Payables increased to UGX.84Bn from UGX.75.119 (i.e. an increase of …%). Further analysis on trade and other payables revealed that some payables had remained outstanding for more than eight years old without any movements. The increased payables expose the Corporation to a risk of costly litigation as well as penalties and fines from statutory bodies. • The Corporation has contingent liabilities outstanding as of 30th June 2022 of UGX.6.252Bn. This figure significantly increased by 300% from UGX.1.827Bn as at 30th June 2021. This figure will worsen the liability position if it materialises. • The Corporations' strategic plan running for the period 2017-2022 had expired and Management was in process of designing a new one aligned to NDPIII. It implies the organisastion is being managed without a strategic direction. • The Corporation has an approved staff establishment for 353 positions of which 99 (28%) positions remained vacant due to indequate wage. This undermines service delivery. • The Corporation does not have Land titles for 36 pieces of land it currently owns. Further, the Corporation owns 80 acres of land as per Vesting Order at Bobi-Gulu and the land is not being utilized and hosts equipment that is not on air. Lack of Land titles may result in encroachment, disputes and even loss of public land. • The Corporation has land titles for 19 pieces of land which were leased out, however there were no lease agreements for 10 of these pieces of land. In addition, out of 19 pieces of land leased out, 6 pieces had expired leases. This exposes such land to a risk of loss. • I reviewed Uganda Broad Casting Corporation IT systems and noted the following; o The systems were not intergrated, o no systems maintenance strategy and policy was in place, o SONAPS system used for studios production chain for ingesting media from various sources onto UBC computing storage, editing content, archiving and storage, playout, scheduling of adverts and announcements, and monitoring became unusable after 3 years in use. o The entity did not have an approved IT staff structure in place despite ICT prioritization in NDP III. o There was no approved IT risk management framework/policy at the entity, and risk register. • There was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014.
60.	Uganda Post Limited. Opinion Unqualified	• Receivables were reported at UGX.8.71Bn by close of the financial year, contrary to paragraph 4.2.1 of Posta Uganda's debt management policy 2016, which stipulates that standard terms for sundry debtors are 30 days from the date of invoice. Accumulation of receivables denies the company the cash flows which are vital for service delivery.

		• The financial statements revealed that UPL's payables increased by **UGX.1.9Bn** from **UGX.14.79Bn** as at 30th June 2021 to **UGX.16.69Bn** in financial year 30th June 2022. Accumulation of payables creates a risk of litigation that may lead to payment of penalties and fines for delayed settlement to possible aggrieved parties in future.
		• A review of UPL's staff list as at 30th June 2022 and the approved Organisation Structure revealed that out of the staff establishment of 247, only 172 positions were filled, leading to a staffing gap of 75 (30.4%). Inadequacy in staffing leads to inability to fully carry out the mandate hence negatively negatively impacting on staff performance, service delivery and attainmant of company objectives.
		• The following aspects were noted in regard to management land by UPL;
		  ○ The Company did not renew leases for three (3) pieces of land. The entity has taken an average of 14 years from the time of expiry of the lease term without having them renewed. This exposes such land to a risk of loss.
		  ○ I noted that 10 pieces of land did not have their sizes recorded in the land register either in acres or hectares as required. I also noted that 8 pieces of land did not have a value attached to them in form of cost of valuation amount.
		  ○ I noted that 1 piece of land measuring approximately 0.464 hectares (5.8%) valued at UGX.1.147Bn was not being utilized by the entity.
		  ○ I noted that 1 piece of land measuring 0.612 hectares (7.5 %) valued at UGX 0.465Bn out of the 8.06798 hectares of land owned by the entity had encumbrances in the form of court injunctions.
		  ○ It was observed that Uganda Post was paid UGX.2.81Bn as compensation for the land and building. However, I did not obtain the details of the application of these monies after the asset was sold off.
		  ○ There was no revaluation carried out over the past eight years. Non-asset revaluation implies the carrying amounts of the assets in the financial statements may be misstated.

	TRADE SECTOR	
1.	Soroti Fruit Factory 2021/22 <u>Opinion</u> Unqualified	• The Company had an approved revenue budget of UGX.17.9Bn, for the year under review, out of which UGX.9.5Bn (comprising of UGX.1.27Bn sales revenue, UGX.0.014Bn other income and UGX.8.252Bn capitalized grants from UDC) was realized, leaving UGX.8.4Bn unrealized. Revenue shortfalls impact negatively on the company's capacity to implement planned activities. • A review of the financial statements revealed an operating loss margin of UGX.5.496Bn resulting from low sales of UGX.1.285Bn during the year against the expenses of UGX.6.781Bn (comprised of UGX.1.263Bn cost of sales and UGX.5.518Bn operating expenses). This implies that the company has continued to make losses. • I inspected the inventory stores at the facility and established huge volumes of orange concentrate in the cold room stores. The factory did not have a recognizable packaging line for ready-to-drink juices in PET bottles leading to choking in the Cooling Rooms. The inability to transform Concentrate into marketable juice because of lack of

		a commercial packaging line for Ready to Drink Juice, has meant that the company keeps huge volumes of Concentrate which are kept in cold rooms, thus increasing costs of production and inadequate products in the market. • Of the 71 approved regular positions, only 31 were filled leaving 40(56.3%) vacant. By the time of audit, the entity had lost 4 members of senior management namely the Chief Executive Officer, the Assistant Manager of Technical Services and the Assistant Manager of production. Staffing gaps negatively impact on the company's capacity to do business.
2.	Soroti Fruit Factory 2020/21 <u>Opinion</u> Unqualified	• A review of sales, costs and production documents coupled with physical inspections revealed that the factory is loss making as the sales figure was only UGX.818m compared to the cost of sales of UGX.2.1Bn. This indicates that the profitability of the product is very low. In the year under review the company made a loss of UGX.6.833Bn. • I noted that the factory still had, in store, concentrate and pulp that had been produced close to two years ago and indication of limited market for the juice produced
3.	Nile Hotel International Ltd (NHIL) <u>Opinion</u> Unqualified	• The entity did not have a strategic plan that is aligned to the NDP III in terms of time scope. Further noted was that the entity's strategic plan is not aligned to that of UDC as their parent shareholder. This creates a risk of non-alignment of the entity's strategic objectives to the national priorities as envisaged in the Vision 2040 and the NDP III. • A review of the Company's Board Charter reeled the following short comings; ○ The charter did not specify which committees are to be put in place as per Section 2.4 in addition to Section 7.1 which further mentions permanent and adhoc committees. ○ No general rules and procedures on members' conduct and vacation of office were included. ○ The charter was not signed/approved by the Board or its representation through a resolution. • Absence of an up-to-date Board charter may reduce the powers of the Board and hinder good governance of the company. • The Board members continued to be involved in the day to day management/activities of the Company including approval of accounting transactions. This practice contradicts with good corporate governance, which encourages separation of roles between the Management and the Board.
4.	Agricultural Credit Facility (ACF) <u>Opinion</u> Unqualiified	• No significant findings.
5.	Uganda Export Promotions Board	• The Government has decided to merge the Uganda Export Promotion Board with the Ministry of Trade, Industry and Cooperatives due next financial year to reduce public expenditure to facilitate efficient and effective service

	<u>Opinion</u> Unqualified	delivery. This situation indicates the existence of a material uncertainty that may cast significant doubt about the Board's ability to continue as a going concern. • UEPB budgeted to collect NTR of UGX.0.04Bn during the year under review. Out of this, only UGX.0.01Bn was collected, representing a performance of 25% of the target. The poor performance negatively affects the revenue collection efforts of the country. • The entity failed to implement a number of activities duing the year. These included; included media coverage (TV, Radio and social media, press releases and Expo Week Magazine) and purchase of furniture. This directly impacted service delivery. • The term of office for the previous board expired on 5th October 2019 and no replacement Board has been appointed to date. The lack of the Board impedes oversight and governance. • UEPB has not exercised its mandate of levying the 0.5% on designated imports as well as receipt of monies paid for goods or services provided by the Board, contrary to the Act leading to a loss of revenues and undermining the intention of the provisions.
6.	Uganda Freezones Authority (UFZA) <u>Opinion</u> Unqualified	• Out of the UGX.13.964Bn approved budget, only UGX.12.231Bn was warranted, resulting into a shortfall of UGX.1.732Bn which represented 14.16% of the budget. As a result, three (3) outputs were partially implemented, hence negatively affecting public service delivery. • The Authority did not have Land titles for four (4) pieces of land measuring 173.1 Acres in various parts of the country. This increases the risk of exposure to land grabbing and encroachment. • I noted that contrary to Section 76 of UFZA Act 2014, which requires the Authority, in each year, within two months after the end of the financial year, to submit to the Minister, a statement of its activities in the preceding financial year, indicating any particular problems experienced by the Authority in that year in carrying out its objects and functions and making recommendations for resolving those problems and containing such other information as the Minister may direct, at the time of the audit in October 2022, the Authority had not prepared the report to the Minister for the financial year 2021/2022. Failure to produce and submit the required reports implies that the Minister and eventually Parliament to whom the annual report should be submitted by the Minister, did not assess the Authority's performance.
7.	Uganda Warehouse Receipt System Authority (UWRSA) <u>Opinion</u> Unqualified	• The entity budgeted to receive UGX.15,066,500,000 out of which UGX.13,374,785,874 was warranted, resulting into a deficit of UGX.1,691,714,126. The deficit represents 11% of the approved budget. Unreleased funds affect public service delivery. • Out of the total warrants of UGX.13,374,785,874 received during the financial year UGX.10,236,743,800 was spent by the entity resulting in an unspent balance of UGX.3,138,042,074 representing absorption level of 76.5 %. Unabsorbed funds negatively affected delivery of services to the beneficiaries.

		• The vote had accumulated domestic arrears of UGX.380, 245,920 relating to acquisition of IT system. Accumulation of domestic arrears indicates non-compliance to the commitment control system and stifles the private sector growth and may lead to unnecessary ligation costs. • I review the IT investment and not that; ○ The IT investment projects were behind schedule ○ Three systems with an acquisition cost of UGX.642,797,920 did not meet the user requirements and did not have any automated mechanisms to share information (integrated) which may lead to duplication of system and defeating rationalisation policy. ○ There was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014 which may lead to loss of data in case of disaster. ○ The entity was preparing financial statements off the system rendering the financial statements prone to errors.
8.	Ministry of Trade, Industry and Cooperatives <u>Opinion</u> Unqualified	• The Ministry charged wrong expenditure codes leading to mischarge of UGX.5.3Bn. I observed that, although the PS/ST authorized the change in the Ministry's workplan to enable the Accounting Officer to utilize the funds requested, for renovation of premises as opposed to rent, the ministry has not recorded the resulting prepayment, since the amount is question is to be recovered through rental deductions, following an MoU signed with Uganda Property Holdings Limited, who own the premises that were renovated. • Four (4) pieces of land measuring approximately 3.107 hectares (100%) costing UGX.0.822Bn were not recorded in the Ministry's land register. In addition, Property comprised in Plots 9, 11 and 13 Corporation rise - Bukoto Kampala, valued at UGX.1.935Bn (Land - UGX.1.77Bn and Developments UGX.159.8 Mn) had no land title and was not disclosed in the memorandum Statement. Failure to properly record all public land could cpmplicate proper follow up of such land. • Four (4) pieces of land measuring approximately 3.107 hectares held by the Ministry did not have Land titles, yet they were acquired over 16 years ago. This exposes such land to a risk of loss through encroachment and land grabbing. • Five (5) plots acquired by Government of Uganda to resettle the metal fabricators previously operating along Katwe road under their association Katwe Small Scale Industrial Development Association (KSIDA), measuring approximately 0.435 hectares (14%) and costing UGX.0.505Bn was irregularly transferred to KSIDA as the user under Uganda Land Commission instead of Ministry of Trade as the rightful user. • Land measuring 1.462 hectares (47%) acquired at UGX.0.217Bn out of the 3.107 hectares of land owned by the Ministry, had encumbrances in the form of court injunctions and encroachment as there was a legal challenge with a private company. • I observed that the Ministry disclosed domestic arrears as at 30th June 2022 of UGX.4.2Bn (2020/2021: UGX.16.4Bn). I noted that although the ministry settled a total of UGX.12.3Bn in lieu of subscription fees to

		international organisations, the Ministry was not able to fully settle the opening domestic arrears due to insufficient budgetary provisions. This exposes government to a risk of litigation and possible unnecessary litigation costs. • A total of UGX.27.9Bn was paid to 13 Cooperative Societies, yet these were not in the original Ministry's work plan. This creates unfairness and lack of transparency in the settlement of the outstanding compensation funds. • War claims compensation of UGX.29.09Bn was made to third parties but not directly to the beneficiary Cooperative societies for onward remittance to beneficiary Cooperative members. I found the practice of payment through third parties both inconveniencing and exposing government to a risk of loss of public funds to non-bonafide members, given the lack of participation of members of the cooperative societies.
9.	Uganda National Bureau of Standards. Opinion Unqualified	• The entity budgeted to receive UGX.65.04Bn out of which UGX.64.08Bn was warranted, resulting into a shortfall of UGX.0.96Bn, representing 1.4% of the approved budget. Under release of funds undermines service delivery since not all the planned outputs could be produced, given the available funds. • The Digital Conformity Stamps had not yet been implemented by the entity despite the service provider's readiness. As a result, UGX.19.88 Bn was not remitted by the service provider to UNBS since it is dependent on UNBS's implementation of Digital Conformity Stamps. • The Bureau had a staff presence at only 27 out of the 170 border entry points. There is a risk that sub-standard goods are entering the Ugandan market through border points where the Bureau staffs are not present. • The entity had accrued pension and gratuity of UGX.1.29Bn contrary to regulations. Non-payment of pension leads to the accumulation of arrears and affects the livelihood of the pensioners. • There was no particular budget line for destroying substandard commodities that come into the country and those seized from market surveillance activities. As a result, warehouses in the Bureau were filled with substandard products that were not yet destroyed. • Procurements amounting to UGX.1.32Bn that were initiated during the financial year had not been completed by the close of the financial year. This leads to delays in service delivery.
10.	Uganda Development Corporation (UDC). Opinion Unqualified	• Out of the UGX.243.62Bn total funds available for spending, only UGX.33.14 (13%) was spent by the Corporation leaving a balance of UGX.210.48Bn representing 87% under absorption. The low absorption was attributed to the supplementary funding that was approved during the financial year and only availed towards year-end. Delayed receipt and utilization resulted into delays in service delivery. • I noted that there is slow progress on the takeover of Government interests as listed in Schedule 2 of the UDC Act 2016, which identified seven Government undertakings that were to be taken over. I noted that only two companies (i.e. Phoenix Logistics and Tri-Star Apparels Ltd) had been transferred to UDC. The remaining five, namely; Amber House Limited, Embassy House, Development House, Munyonyo Commonwealth Resort and Nile Hotel International Limited were still outstanding. Delays undermine the implementation of the UDC Act 2016 and undermine the public policy of streamlining the management of these corporations

		• The Corporation has been holding 2 pieces of land measuring approximately 6.932 hectares without land titles for a long time without justification, exposing the corporation to the risk of loss of land thru land grabbing and encroachment. • Uganda Development Corporation (UDC) entered into a number of contracts worth UGX.2.7Bn with various suppliers without conducting market price assessments. This was contrary to the procurement law and exposed the entity to a risk of obtaining services at uncompetitive prices. • Out of the 70 established posts in the UDC structure, only 49 are filled (70% staffing level) and 21 positions were vacant representing 30%. I further noted that among the vacant positions were significant/priority positions such as the Director of Internal Audit, Manager Investment (mining and manufacturing), and Manager Investments Appraisal among others. Inadequate staffing levels affect the level and quality of service delivery by the Corporation and may compromise the principle of segregation of duties.
11.	Great Lakes Trade Facilitation Project <u>Opinion</u> Unqualified	• No reportable findings
12.	Uganda Investment Authority. <u>Opinion</u> Unqualified	• The entity did not budget for NTR during the year under review as reflected in the statements of appropriation, although UGX.0.435Bn was collected. Failure to budget for NTR implies that there was no target upon which the Authority's performance could be evaluated. • Out of the total warrants received of UGX.28.3Bn during the financial year, the entity submitted invoices totalling UGX.25.36Bn resulting in un-utilized warrants of UGX.2.94Bn representing an absorption level of 90%, consequently some activities were either partially or not implemented at all, which negatively impacts service delivery. • The Authority did not maintain a detailed risk register of risks that may affect the implementation of activities as detailed in the approved work plans and budgets, as a result, there were no strategies and officers responsible for mitigating such risks or minimizing the impact in the event these risks materialized. • Most pieces of land measuring approximately 11,931.343 hectares held by the entity were recorded in the entity land/assets register. However, 6 pieces of land measuring approximately 14.407 hectares were not recorded in the GFMIS fixed asset module thus affecting the accuracy of the non-produced assets in the financial statements. • The entity has outstanding payables of UGX.3.596Bn in the statement of financial position, a decrease by UGX.1.1140Bn from UGX.4.736Bn reported in the previous financial year. Although there was a decrease in domestic arrears, the entity accumulated new domestic arrears of UGX.966.425Mn. Continued accumulation of domestic arrears is contrary to the commitment control system of government, and also exposes government to risks of costly litigation. • The authority had receivables of UGX.21.396Bn in the statement of financial position relating to rent, the sale of goods and services and administrative fees at the end of the financial year, a reduction by UGX.50.589Mn (0.24%)

		from the previous year. Slow recovery of accrued revenue denies Government the much needed funds for service delivery. • Out of the approved staffing level of 124 employees, the Authority has only 75 positions filled (60.5%) leaving a staffing gap of 49 positions (39.5%). Understaffing negatively affects service delivery. • A total of five (05) IT systems/equipment worth UGX.297.68Mn were procured without obtaining clearance by NITA-U and one system was not being utilised. This is irregular and could lead to duplication and wastage of resources.
	TOURISM SECTOR	
1.	Uganda Hotel and Tourism Training Institute (UHTTI) Opinion Unqualified	• Out of the total receipts for the financial year of UGX 7.633Bn, the Institute spent UGX 7.165Bn resulting in an unspent balance of UGX 0.468Bn representing an absorption level of 98.9%. As a result, I noted that of the 24 quantified activities worth UGX 2.649Bn assessed; 14 activities representing 58.3% were fully implemented, 7 activities representing 29.2% were partially implemented, while 3 activities representing 12.5% was not implemented • A review of the staffing structure for UHTTI revealed that out of the total approved staff establishment of 175 staff, only 124 (71%) positions were filled, leaving 51 (29%) positions vacant. • The receivables amount for the Institute declined from prior year balance of UGX 0.547 to UGX 0.274Bn in the current year arising from recovery of student debts of UGX 0.257Bn and bad debt provision of UGX 0.145Bn in line with the Institute's debt recovery policy. Out of the total outstanding balance of UGX 0.274Bn; UGX 0.149Bn were due from to student debtors, UGX 0.12Bn were for hotel trade debtors and balance of UGX 0.0006Bn were staff loans.
2.	Uganda Wildlife Research and Training Institute (UWRTI). Opinion Unqualified	• Out of the total receipts of UGX.3.85Bn received during the financial year, UGX.3.522Bn was spent by the entity resulting in an unspent balance of UGX.0.328Bn representing an absorption level of 91%. As a result, some planned activities were not implemented. The unspent funds were held in the Institute's bank account. • The Uganda Wildlife Authority donated 30 acres of land in Rwenjubu Kasese District, to Uganda Wildlife Research and Training Institute but there was no land title to confirm ownership. This land was not being utilised by the Institution although Management indicated that UWRTI had secured funding through CEDP for the construction of a centre for excellence. In the absence of a land title, the land is prone to encroachment.
3.	Harnessing Nature and Digital Technology to Stimulate Recovery and Build A Resilient Tourism Industry in Uganda Dec 2021	• No significant matter to report on.

	Implemented by MoTWA <u>Opinion</u> Unqualified	
4.	Uganda Wildlife Authority. <u>Opinion</u> Unqualified	• Out of a total budget of UGX.119.469Bn, UWA received a total of UGX124.820Bn, representing 105% of the budget. However, the Authority spent only UGX.88.607Bn, resulting in an unspent balance of UGX.30.862Bn representing an absorption level of 74.17%. As a result, I noted that of the 114 quantified activities worth UGX.54.37Bn that I assessed during the audit, 70 activities representing 61.4% were fully implemented, 23 activities representing 20.2% were partially implemented, while 21 activities representing 18.4% was not implemented. Under absorption of availed funds implies failure to fully implement all planned activities which negatively impacts service delivery. • It was observed that the Authority had outstanding payables of UGX.25.454Bn, reported in the statement of financial position, out of which UGX.8.111Bn were gratuity for staff not yet due and balance of UGX.17.343Bn relates to trade payables, insurance claims payable, Gorilla levy payable and revenue share to the communities. This despite the fact that the Authority had the cash resources which could have been utilized to settle the payables. Delayed settlement of outstanding payables exposes government to a risk of costly litigation. • I noted that there were several ongoing cases of claims on land in the gazetted areas under the management of Uganda Wildlife Authority, as evidenced by active court cases in some of the National Parks namely: Lake Mburo National Park, Mt. Elgon National Park, Semiliki National Park and Matheniko Bokora. This was attributed to increased encroachment to the National park land. There is urgent need to resolve these cases to prevent loss of gazetted land areas that could affect wildlife conservation. • I noted that the Authority did not have an approved comprehensive management plan to manage the invasive and exotic plant species problem that has covered an average of 30% of the surface areas of Queen Elizabeth, Lake Mburo Park, Murchison Falls, and Kidepo Valley National Parks. The invasive species contracts the grazing areas for herbivores animals and affect the rangeland and environmental quality that consequently reduce wildlife population of grazers such as hippos, buffalos, zebras, topis, and Uganda Kobs. • I noted that several procurements to the tune of UGX.61.169Bn were not executed as of 30th June 2022. This was attributed to delays in procurement processes and partly due to effects of COVID-19 that affected the implementation by the Authority that was operating a contingency budget that had scaled down on the capital investments. Failure to implement planned procurements leads to non-provision of planned services. • Over the last three years, UWA procured and installed three (03) different Accounting Systems, namely: The Sun System, Microsoft Dynamics GP and the Microsoft Business Central System. The frequency of change of systems was unjustifiably high and costly to Government. I observed that there were weaknesses in systems change over, since management did not properly identify challenges that would require a switch to a new accounting package. Such a practice leads to wasteful expenditure on systems acquisition and no value for money.

5.	UWA-IFPA-CD Project <u>Opinion</u> Unqualified	• Out of the received grant of USD.4.5Mn, only USD.0.744Mn (UGX.2,710Bn) was expended reflecting unspent funds of UGX.8,889,891,079 and USD.1,191,819.40 held in the BOU UGX and USD bank accounts respectively, resulting into underperformance of 83.7%. This resulted into partial or non-implementation of planned activities, which in turn delays service delivery. • The project implementation had been delayed and some planned project activities such as Procurement of firefighting and personal protection equipment, undertaking studies on Invasive species and developing their respective management plans, and Procurement of road construction equipment (3 graders, 2 excavators, 2 bulldozers, 2 water bowsers, 2 tippers) were not implemented. Failure to absorb Development Partner funds implies project objectives have not been met.
6.	UWA-SIDA Project 2022 <u>Opinion</u> Unqualified	• Out of the received grant of USD.860,299 only UGX.557,053,138 (USD.135,324.7) was expended leading to unspent funds of UGX.2,317,274,301 and USD.39,857.23 held in the UGX and USD bank accounts respectively, resulting in underperformance of 82.3%. The failure to utilize the released funds resulted into non-implementation of several planned activities. • The project implementation had been delayed and by 31st of May 2022, the project was not fully implemented with various planned activities such as Procurement and installation of Guard observation towers in Queen Elizabeth National Park (QENP), procurement of drones and IPADs for overhead surveillances and supporting of community livelihoods around Murchison Falls National Park (MFNP), QENP and Toro-Semiliki wildlife Reserve (TSWR) not completed. This led to a no cost extension by the funder to a new expiry date of 30th June 2023. Failure to absorb Development Partner funds implies project objectives have not been met.
7.	Wildlife Research and Training Institute <u>Opinion</u> Unqualified	• Out of the total receipts of UGX.3.85Bn received during the financial year, UGX.3.522Bn was spent by the entity resulting in an unspent balance of UGX.0.328Bn representing an absorption level of 91%. As a result some planned activities were not implemented. The unspent funds were held in the Institute's bank account. • The Uganda Wildlife Authority donated 30 acres of land in Rwenjubu Kasese District, to Uganda Wildlife Research and Training Institute but there was no land title to confirm ownership. This land was not being utilised by the Institution although Management indicated that UWRTI had secured funding through CEDP for the construction of a centre for excellence. In the absence of a land title, the land is prone to encroachment.
8.	Uganda Wildlife Education Conservation Centre (UWEC). <u>Opinion</u> Unqualified	• The Centre received total revenue of UGX.14.369Bn (including self-generated revenue of UGX.2RC.169Bn) during the financial year. Out of the total available funds for the year, the Centre spent UGX.10.9Bn resulting into an unspent balance of UGX.3.469Bn representing an absorption level of 75.86%. As a result, I noted that of the 59 quantified activities worth UGX.5.87Bn that I assessed, 25 activities representing 42.4% were fully implemented, 27 activities representing 45.8% were partially implemented, while 7 activities representing 11.9% were not implemented. Failure to fully implement all planned activities negatively impacts service delivery.

		• I noted that the Centre had total payables of UGX.2.51Bn, of which UGX 1.36Bn was due to the Consolidated Fund, while the balance of UGX.1.15Bn was due to other creditors as at 30th June 2022. Delays in settlement of outstanding liabilities could lead to costly litigation, in the event creditors decide to take such options. • A review of management of IT investments at the Centre revealed that; o There were no approved specific structures that steer and oversee ICT implementation. o There was no approved IT risk management framework/policy at the entity, and risk register. o There was no approved business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014. • Absence of ICT governance structures hampers formulation of appropriate ICT policies, strategies and real time upgrade of ICT interventions. In addition, it may lead to misalignment of IT investments with the overall entity strategic objectives. • I noted that Government has taken a decision to merge Uganda Wildlife Conservation Education Centre with Uganda Wildlife Authority with the aim of reducing public expenditure to facilitate efficient and effective service delivery. This process is in its final stages pending advice from Ministry of Public Service and Ministry of Tourism, Wildlife and Antiquities. This situation, along with other matters as set forth in Note 8.2.11, indicates the existence of a material uncertainty that may cast significant doubt about the Agency's ability to continue as a going concern. Management was advised to engage with the Tourism, Wildlife and Antiquities and Uganda Wildlife Authority to adequately prepare for this transition.
9.	Ministry of Tourism, Wildlife and Antiquities (MoTWA). <u>Opinion</u> Unqualified	• The entity budgeted to collect NTR of UGX.126.68 Bn during the year under review out of which only UGX.68.22 was collected, representing a performance of 54% of the target. Management attributed the low performance to the long period of closure and economic slowdown due to COVID-19. NTR/revenue shortfalls at the Treasury level, negatively affect the implementation of planned activities by the Government. • The Ministry accumulated payables of UGX.4.3Bn of which UGX.3.1Bn relate to contributions to International Organisations and have been outstanding for over two financial years, exposing the Ministry to risks of not benefiting from membership and also being expelled from the organisation. • The Ministry did not implement five planned procurements worth UGX.1.576Bn. This adversely affects service delivery. • The Ministry developed a strategic plan for 2020/21 – 2024/25, but at the time of the audit, the plan had not been approved by the National Planning Authority, implying that the activities being implemented may not be aligned with NDP III.
10.	Uganda Tourism Board. <u>Opinion</u>	• Uganda Tourism Board did not budget for NTR but MoFPED allocated NTR budget for the entity to collect of UGX.0.28Bn during the year under review. However, UTB was only able to collect UGX.0.043Bn, representing a

	Unqualified	performance of 15.35% of the target. Shortfall in NTR collections negatively affect the implementation of planned activities by Government. • A total of UGX.500Mn was paid to an athlete to promote Tourism Board activities without deducting 6% withholding tax amounting to UGX.30Mn, contrary to the requirements of Section 119 of the Income Tax Act. • Uganda Tourism Board (UTB) entered into a number of contracts worth UGX.5.989Bn with both local and international service providers and supplies without conducting market price assessments. This was contrary to the procurement law and exposed the entity to a risk of obtaining services at uncompetitive prices.
	WATER AND ENVIRONMENT SECTOR	
1.	DRESS EA Project Opinion Unqualified	• The Project received UGX 0.58Bn (62.59%) against the estimated budget of UGX.0.925Bn. • I noted that out of the total available funds of UGX.0.579Bn received, UGX.0.157Bn was spent representing an absorption level of 27%. The unspent funds were still held on the Project Bank accounts to continue funding project activities. • I noted that three (3) outputs with eight (8) activities worth UGX.0.116Bn were partially implemented. The project fully implemented four (4) activities; four (4) activities were not implemented, while eight (8) outputs with fourteen (14) activities remained unimplemented.
2.	Investing in Forests and Protected Areas for Climate Smart Development (IFPA-CD) MoWE Opinion Unqualified	• The Project received 100% of its donor budget of USD 1,446,010(UGX.5.08Bn) and USD774,331(UGX.2.62Bn) (100%) of its GoU counterpart funds. • Of the USD 1,446,010 disbursed by the donor, only USD 145,945.13 (10%) was spent while 100% (UGX 2,301,718,612) of the Gou receipts were spent. • I assessed twenty-nine (29) activities and noted that five (5) activities were fully implemented; four (4) activities were partially implemented while Twenty (20) activities were not implemented at all. • Management did not apply the risk mitigation measures identified in the Project Appraisal Document to respond to the materialising risk of delay in procurement and approval processes.
3.	Investing in Forests and Protected Areas for Climate Smart Development (IFPA-CD) NFA Opinion Unqualified	• I noted that the entire USD 3.87Bn that had been budgeted for the period under review (2021/2022) was disbursed by World Bank, representing 100% performance. • I noted that the entire USD 3.87Bn that was available for spending was not spent representing 0% performance. • I assessed the implementation of the Thirty-seven (37) activities that were fully quantified with a budget of USD 2.29Bn and noted that all the Thirty seven (37) activities were not implemented at all.

4.	The Integrated Water Management and Development Project (IWMDP) - MOWE <u>Opinion</u> Unqualified	• I noted that the project had an approved budget of USD.34,469,308.17 out of which USD.15,041,655 was received, resulting in a shortfall of USD.19,427,653.17. The shortfall represents 56.4% of the approved budget. I further noted that a total amount of USD 8,232,148 had been rolled over from the previous financial year implying that a total amount of USD.23,273,803.83 was available for spending during the F/Y under review. • Out of the total funds of USD.23,273,802.83 available during the financial year, USD 8,868,133.20 was spent by the project resulting in under-absorption of USD 14,405,669.63 representing an absorption level of 38.1%. • Out of the total available amount of USD.23,273,802.83, a total amount of USD.14,405,669.63 was spent resulting in an unspent balance of USD 8,868,133.2 representing absorption level of 61.9%. • I noted that of the 56 quantified activities worth USD.8,225,143.33 assessed; 7 activities representing 12.7% were fully implemented, 6 activities representing 11% were partially implemented and 42 activities representing 76% were not implemented at all. • Mid-term review report revealed that slow achievement of the project targets. Failure to implement the project within the contract period resulted into the slow disbursement rate from the bank which stood at 29% as at 30/06/2022.
5.	The Integrated Water Management and Development Project – NWSC <u>Opinion</u> Unqualified	• No reportable matter.
6.	Support to Preparation of Priority Irrigation Investments (SPPII) <u>Opinion</u> Unqualified	• I noted that the project had a total budget of USD.831,947.58 which was based on the rolled over balances from the previous financial year. • I was not provided with evidence to show that detailed Design reports for Matanda and Kabuyanda Environment Social Impact Assessment and additional surveys were critically evaluated by a competent authority and approved. Evidence of an approved report on assessment of knowledge gap for targeted stakeholders was also not availed for verification.
7.	Strategic Towns Water Supply and Sanitation Project (STWSSP) <u>Opinion</u> Unqualified	• I noted that the project had a total budget of UGX.30.82Bn for the F/Y under review. I further noted that total receipts totalled to UGX 62.69Bn representing 203.4% performance. The over performance was attributed to outstanding commitment for that previous financial years that were affected by the effects of Covid-19. • The project had GOU counterpart budget of UGX 11.01Bn a sum of which only UGX 9.56Bn (86.8%) was released leading to a shortfall of UGX 1.45Bn (13.2%).

		• Out of the total available funds for financial year of UGX.72.27 Bn UGX.72.23 Bn was spent resulting in an unspent balance of UGX 0.04Bn representing in an absorption level of 99.9%. • I noted that out of Ten (10) activities with a budget of UGX 27.41Bn assessed, Two (02) activities worth UGX 3.45 Bn were fully implemented, Six (06) activities worth UGX.20.33Bn were partially implemented, and Two (02) activities worth UGX.3.6BN activities were not implemented.
8.	Water Supply and Sanitation Programme II (WSSP II) Opinion Unqualified	• I noted that the project had a total amount of UGX.7.62bn on the JPF account that was available for spending during the year under review. This amount is comprised of UGX.7.61bn rolled over from the previous financial year and interest income of 6.16m. • Out of the budgeted amount of UGX.21.02Bn, Government of Uganda released UGX.20.48Bn representing a performance of 97.4%. • Out of the total available funds for spending of UGX.28.15Bn from both JPF and GOU component, UGX.27.44Bn was spent leaving unspent balance of UGX.0.73Bn representing an absorption level of 97.5%. The balance of UGX.0.73Bn remained on the Account at the closure of the project on the 30th of June 2022. • I conducted an assessment of the achievement of the project targets/objectives and noted that out of the planned six (6) project objectives/targets, all the targets were partially achieved.
9.	Adapting to Climate Change in Lake Victoria Basin (ACC-LVB) Opinion Unqualified	• Out of approved budget of USD 274,903.71 (UGX.1.00Bn) for the financial year 2021/2022, USD.200,000 (UGX.0.73Bn) was disbursed, representing a performance of 72.8%. • I noted that out of the total available funds for spending of UGX.1.57Bn, a total amount of UGX 1.06Bn was spent during the financial year representing an absorption level of 67.98%. The table below refers; • I assessed the implementation of the two (2) planned outputs with six (6) activities and noted that Two (2) activities (33.33%) were fully implemented while Four (4) activities (66.67%) were partially implemented.
10.	Securing Uganda's Natural Resource Base in Protected Areas Project Opinion Unqualified	• I noted that all the amount of USD 946,168 that was budgeted for in the financial year under review (2021/2022) were received representing 100% performance. • Out of the total available funds for the financial year of USD 946,168, only USD 110,911 was spent by the entity resulting in an unspent balance of USD 835,257 representing an absorption level of 11.7%. • I noted that of the 60 quantified activities worth USD 2,294,046 that were assessed; Thirty-one (31) activities were fully implemented; One (1) activity was partially implemented and Twenty eight (28) activities were not implemented at all.
11.	National Forestry Authority Opinion	• Out of the approved NTR estimate of UGX 12.88 billion, the Authority collected UGX 12.035Bn billion representing a performance of 93.4% of the target.

	Unqualified	• Out of the approved GoU budget of UGX. 36.88 billion, UGX. 25.44 billion (75.3%) was warranted, resulting in a shortfall of UGX11.44 billion (31.02%). Of the total warrants of received during the financial year, UGX. 25.023Bn was spent by the entity resulting in an unspent balance of UGX.0.413Bn representing an absorption level of 98.38%. • Out of the seven (7) outputs that were fully quantified with a total of Sixteen (16) activities budgeted at UGX 34.8 Bn, Seven (7) outputs with nine (9) activities were fully implemented while Seven (7) activities were partially implemented with expenditure totalling t0 UGX 24.61. • I noted that 86 pieces of land whose value could not be established had encumbrances in the form of caveats, court injunctions and encroachment. I further noted that 36 pieces of land on which NFA offices sit did not have land titles, and approximately 241,604 ha (22%) on average of the total area of the CFR of 1,088,430 ha gazetted as forest reserves are encroached with agriculture, settlements, mining among others. • I noted a significant balance of receivables of UGX UGX.9.44Bn at close of the financial year which impacts on the liquidity capacity of the Authority when not collected. • I noted irregularities in management of IT investments including; procurement of systems without NITA-U clearance; E-recruitment module was not optimally utilised was not being utilized; I further noted inefficiencies in ICT governance and lack of ownership of the existing ICT systems among others. • I noted irregularities in land management like irregular allocation of Central Forest Reserves by both the Uganda Land Commission and District Land Boards and encroachment on forest reserves. Uganda Land Commission irregularly issued 19 titles in the Central Forest reserves while the District Land Boards had irregularly issued 26 titles in the in forest reserves. I further noted that some of the titles were later cancelled resulting in a number of court cases.
12.	Uganda National Meteorological Authority (UNMA). <u>Opinion</u> Qualified	• The Authority collected NTR of UGX 0.392Bn out of the estimated UGX 2.2Bn representing a performance of 17.8%. • Out of the budgeted revenue of UGX.25.755Bn only UGX.18.931Bn (73.5%) was warranted. Of these warrants, UGX. 18.64Bn was absorbed by the Authority leaving unspent balance of UGX 0.29Bn. Of the 9 outputs with 65 fully quantified activities, 2 activities (3%) were fully implemented, 61 activities (93.8%) were partially implemented, while 2 activities (3%) remained unimplemented. • 7 of the 9 pieces of the Authority's land did not have land titles. • The Authority had receivables totalling to UGX.3.13Bn at the closure of the financial year under review. This comprised outstanding of letter credit UGX.699,777,683 and pre-payments totalling to UGX 2,428,702,532 • The Authority collected NTR amounting to UGX 153Mn, however it had not been remitted to the Consolidated Fund by end of the financial year. • I noted that a total of UGX 74Mn transferred to the National Meteorological Training School (NMTS) as subvention was not accounted for by the school.

		• The Authority did not have a fully constituted board, with only 5 of the 6 stipulated members in place. • Three IT valued at UGX 1.2 Bn were not implemented within the required timelines as specified in the inception reports/contracts. There were no specific structures that steer and oversee ICT implementation/governance. In addition, the Authority did not have a business continuity plan.
13.	Investment plan preparation grant for the strategic plan for climate resilience. <u>Opinion</u> Unqualified	• I noted that the project had no approved budget during the financial year under review. I further noted that there was an outstanding balance rolled over from the previous financial year of USD.129,834.39 which was utilised during the F/Y under review (2021/2022). • Out of the total available funds of USD 129,834.39 during the financial year, USD 121,976.08 was spent resulting in an unspent balance of USD. 7,858.31 representing absorption level of 93.95%. • I assessed the implementation of three (03 outputs that had been fully quantified with a total of six (06) activities worth USD 121,976.08 and noted that all the three (3) outputs with six (6) activities and expenditure worth UGX. 0.45Bn were fully implement • Outstanding payables totaling to USD.16,194.21(UGX0.06Bn) as at the closure of the financial year under review which was 20% reduction from USD.20,772.39(UGX 0.077Bn) recorded in financial year 2020/2021.
14.	Integrated Water Management and Development Project- NWSC 2020/21 <u>Opinion</u> Unqualified	• No material findings to report.
15.	National Water and Sewerage Corporation- Kampala Water Lake Victoria Water and Sanitation (KW-LV WATSAN I) PROJECT <u>Opinion</u> Unqualified	• No reportable matter.
16.	National Water and Sewerage Corporation-Kampala Water Lake Victoria Water and Sanitation (KW-LV WATSAN II) –June 2022	• I noted that whereas the project Package 4B KWTP was completed and handed over to Government and the Defect Liability Periods ended in September 2022 and October 2022 for Katozi and Gaba projects, respectively, there were still outstanding snags in both projects.
17.	National Environment Management Authority (NEMA)	• The Authority collected NTR of UGX 5.93Bn (66.1%) against the estimated UGX 8.98Bn as projected by Ministry of MOFPED. However, there were no NTR estimates indicated in the statement of appropriation. Out of the

	Opinion Unqualified	budgeted GoU revenue of UGX 17.88Bn by the Authority, only UGX 14.18Bn was warranted representing performance of 79% of the target. • I noted that out of the total warrants of UGX.14.18Bn received during the financial year, the entity utilized UGX.13.38Bn resulting in un-utilized warrants of UGX.0.8Bn representing an absorption level of 94.4%. • I noted that two (2) outputs with two (2) activities worth UGX 0.25Bn were fully implemented, nine (9) outputs with twelve (12) activities worth UGX 0.93Bn were partially implemented and one output (1) with one (1) activity worth UGX 0.1Bn was not implemented at all. • The Authority accumulated receivables totalling to UGX. 12.08Bn which remained uncollected as at 30thJune 2022. Out of the outstanding amount, UGX10.84bn related to Government institutions while 1.24Bn was from the private sector. • I noted that whereas Section 32 (1) of the National Environment Act, 2019 requires the establishment of the National Environment Fund, I noted that the fund was not operational, and a sum of UGX. 5,933,507,497 was collected and deposited into the Consolidated Fund by Uganda Revenue Authority, thus denying the authority access to statutory funds • I noted that whereas Section 25(1)) of the National Environment Act, 2019 requires the establishment of the National Environment Protection Force and governing Regulations, this was done. The Authority depends on the services of the Environment Police Protection Unit of the Uganda Police Force which faces structural and logistical challenges. •
18.	Irrigation for Climate Resilience Project (ICRP) Opinion Unqualified	• I noted that out of the project's budget of USD.4,334,366 for the year under review, USD 3,339,866 (77%) was released resulting in a shortfall of USD. 994,500Bn (23%). • Out of the total available funds for the financial year of USD 9,645,763, USD 339,783.65 was spent by the entity resulting in an unspent balance of USD 9,305,979.35 representing an absorption level of 4%. • I noted that of the 81 quantified activities worth USD 831,947.58 w, Fifteen (15) activities representing 18.5% were fully implemented; Seven (7) activities representing 8.6% were partially implemented, while Fifty nine (59) activities representing 72.8% were not implemented.
19.	Enhancing Resilience of Communities to Climate Change (EURECCCA) Opinion Unqualified	• I noted that the project had a budget of UGX. 12.56Bn (USD 3,462,844) out of which UGX. 6.11Bn was disbursed resulting in a short fall of UGX 6.45Bn (51.4%). • Out of the total amount available during the financial year, UGX.5.89Bn was spent resulting in an unspent balance of UGX.0.36Bn representing an absorption level of 5.8%.

		• I assessed the implementation of ten (10) out of seventeen (17) outputs that had been fully quantified with a total of twenty-six (26) activities worth USD.2,522,858 (UGX 9.15Bn) and noted that; Nine (9) outputs with twenty-four (24) activities and expenditure worth USD 2,366,682 (UGX. 8.58Bn) were partially implemented. Four (4) activities worth USD 352,020 (UGX 1.29Bn) were fully implemented and Twenty (20) activities worth USD 2,009,667 (UGX 7.29Bn) were partially implemented. • One (1) output with two (2) activities and expenditure worth USD 156,171 (UGX 0.57Bn) were not implemented. •
20.	Nyabyeya Forestry College (NFC) <u>Opinion</u> Unqualified	• The College budgeted to collect NTR of UGX 0.483Bn during the year under review. Out of this, UGX 0.626Bn was collected, representing a performance of 129.5% of the target. • The College received UGX 1.49Bn Government support out of the budgeted amount of UGX 2.72Bn, resulting in a shortfall of UGX 1.23Bn. The shortfall represents 45.1% of the approved budget. • I noted that out of the total available funds of UGX 2.383Bn, a sum of UGX 2.375Bn was spent representing an absorption level of 99.7%. • I noted that seven (7) outputs with nine (9) activities worth UGX 1.44Bn were fully implemented while one (1) output with one (1) activity worth UGX 0.002Bn was partially implemented. • I noted that the College strategic plan was still in draft form as it lacked approval by both the Governing Council and National Planning Authority. • A review of the approved establishment structure revealed that out of the 83 approved positions, only 46 had been filled leaving 46 positions vacant.
21.	Farm Income Enhancement and Forestry Conservation Project (FIEFOC). <u>Opinion</u> Unqualified	• The Project received UGX 52.15Bn (62.5%) against a budgeted amount of UGX 83.43Bn. Given the opening balance of UGX 1.12Bn from previous year, the total project funds available for the year totaled UGX 53.27Bn. • I noted that out of the total available funds of UGX 53.27Bn, a sum of UGX 52.44Bn was spent representing an absorption level of 98.4%. The unspent funds were still held on the Project Bank accounts to continue funding future project activities. • I noted that three (3) outputs with five (5) activities worth UGX 16.34Bn were fully implemented while six (6) outputs with thirty-seven (37) activities worth UGX 34.21Bn were partially implemented. The project fully

		implemented twenty-five (25) activities; five (5) activities were partially implemented, while seven (7) activities remained unimplemented. • I noted that the total amount of UGX 2,244,572,384 was due from the Enable Youth Project beneficiaries (Principal + Interest), of which UGX 1,479,980,097 was due by 30/06/2022 in the year under review. However, only UGX 159,827,501 (10.8%) was recovered by 30/06/2022, leaving a balance of UGX 1,320,152,596 outstanding.
22.	Northern Uganda Resilience Initiative Project <u>Opinion</u> Unqualified	• Out of the total rolled over funds of UGX.429,703,797 from the previous financial year, the project spent UGX.428,792,000 (99.7%) leaving an unspent balance of UGX 911,797 at the end of the financial year. • The project did not fully implement all the 16 activities as planned. I noted that 12 (75%) were fully implemented while 4(25%) were partially implemented.
23.	Third National Communication (TNC) <u>Opinion</u> Unqualified	• Out of the total approved budget of USD 170,174 for the period, USD.140,000 was received representing a performance level of 82.27% of the target. • Out of the total amount of US$178,440.50 available for spending, the project spent US$ 147,196.88 (82.8%) leaving an unspent balance of US$ 31,243.62. • I assessed the implementation of the 80 planned activities under the four components and noted that 36 activities (45%) were fully implemented, 38 activities (47.5%) were partially implemented and 6 activities (7.5%) were not implemented at all.
24.	Water Supply and Sanitation on Refugee Hosting Communities in Northern Uganda Funded by (KFW) <u>Opinion</u> Unqualified	• I noted that the project received UGX.20.24Bn of the UGX.23.6Bn that had been budgeted for, resulting in a shortfall of UGX.3.36Bn. The shortfall represents 16% of the approved budget. • Out of the total receipts for the financial year of UGX.20.241Bn only UGX.10.016Bn was spent by the entity resulting in an unspent balance of UGX. UGX.10.492Bn representing absorption level of 48.8%. • I assessed the implementation of a sample of two (2) outputs that had been fully quantified with a total of eleven (11) activities worth UGX 10.016Bn and noted that; no outputs was fully implemented while Two (2) outputs with eleven (11) activities worth UGX 10.016Bn were partially implemented. I further noted that out of the eleven (11) activities, the project fully implemented five (5) activities and six (6) activities were partially implemented.

		• I assessed service delivery and noted that there were delays in project completion which results in delayed benefit of water supply to the intended beneficiaries.
25.	Ministry of Water, and Environment (MoWE) Opinion Unqualified	• The Ministry collected NTR of UGX 1.643Bn (196.1%) against the estimated UGX 0.838Bn as projected by Ministry of MOFPED. • Out of the budgeted GoU revenue of UGX 536.2Bn by the Ministry, only UGX 456.1Bn was warranted representing performance of 85% of the target. I noted that out of the UGX 456.1 warranted to the Ministry, only UGX 448.2Bn was spent representing an absorption level of 98.3%. Subsequently, the unspent funds amounting to UGX 7.7Bn were swept back to the Consolidated Fund. • I noted that Forty-six (46) outputs with seventy-three (73) activities worth UGX.259.77Bn were partially implemented. Out of the seventy-three (73) activities, two (2) activities were fully implemented, seventy (70) activities were partially implemented, while one (1) activity remained unimplemented. • I noted that a register of land owned by the Ministry in different areas was not updated, with some land pieces lacking acreage, cost of acquisition and others lacking dates of acquisition. All the 372 pieces of land were not recorded in the GFMIS fixed asset module. I noted that out of the 372 pieces of land held, 221 pieces do not have land titles. • The entity budgeted to acquire land at a cost of UGX 31.06Bn in the financial years 2018/19-2021/22 but did not indicate the acreage in the Ministerial Policy statements. The Ministry acquired 113 pieces of land measuring 4481.9 hectares of land at UGX 10.39Bn using direct procurement without the approval of the Contracts Committee contrary to Section 85 (2) of the PPDA Act, 2003. I further noted that the said land was acquired without confirmation of funding by the Accounting Officer contrary to Section 59(2) of the PPDA Act 2003. • The Ministry acquired 113 pieces of land measuring 4481.9 hectares of land at a cost of UGX 10.39Bn without notifying Uganda Land Commission. • I noted accumulated interest expenditure of UGX. 553.03m resulting from non-payment of VAT and delayed payment. • Out of the approved staff structure of 709 staff, only 370 (52.2%) were filled leaving a staffing deficit of 339 (47.8%) positions.

		• I reviewed documents relating to the procurement/development of 3 (three) IT systems and noted that the systems are not owned by the entity which increases the risk of exposure to vendor manipulation. I noted that the Ministry has no specific structures that steer and oversee ICT implementation. • The Ministry has no approved IT risk management framework/policy at the entity, and risk register. I also noted that the Ministry has no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014. • I noted that the Ministry does not prepare all components of financial statements on the system for example the Cash flow statement and Financial statements for donor funded projects but rather, does it off the system using the financial statements templates provided by the Accountant General. • Review of the e-Government Procurement (e-GP) system revealed that the Ministry approved a procurement plan for 1420 procurements estimated at a cost of UGX. 406.77Bn, but none of the procurement was completed on the system. I was not provided with contract management files for contract management files for 3 projects that were sampled for audit review.
26.	Building Resilient Communities, Wetland Ecosystems and Associated Catchments in Uganda-Project Dec 2021 Implemented by MoWE <u>Opinion</u> Unqualified	• No significant matter to report on.
27.	Enhancing Conjunctive Management of Surface and Groundwater Resources in Selected Transboundary Aquifers July 2020 to 31 December 2021 Implemented by the Nile Basin Initiative <u>Opinion</u> Unqualified	• No significant matter to report on.
28.	South Western Cluster Water and Sanitation Project – NWSC	• No material issues to report on

	<u>Opinion</u> Unqualified	
29.	National Water and Sewerage Corporation (NWSC) 2021 <u>Opinion</u> Unqualified	• The financial statements under Note 28 include a Financial Asset in form of Trade Receivables. Management has estimated the fair value of the net financial asset receivable to be UGX 159.87 billion as at 30th June 2022. However, I was not provided with a periodic assessment and documentation of the risk and parameters leading to the expected trade loss of UGX.8.47Bn as required under IFRS 9. • I noted incidents where NWSC possessed land that had expired land leases; some titles were yet to be transferred in the company names; some land housing NWSC infrastructure and which was given by other government agencies had no MoUs signed; and some land was encroached on.
30.	Multinational Lakes Edward and Albert Integrated Fisheries and Water Resources Management Project (LEAF) II <u>Opinion</u> Unqualified	• A total of seven (7) strategic outputs (58.3%) were fully achieved, while 5 outputs were partially achieved and still on-going (41.7%). • Out of the approved budgeted revenue of USD 333,824.97, USD 320,930.55 was realised representing performance of 96% of the target. The project absorbed 99.99% of the total available funds for spending. • Out of the eleven (11) planned activities, ten (10) representing 90.9% were fully implemented; one (1) activity representing 9% was partially implemented. • I assessed five key deliverables (construction of a surveillance station, 3 landing sites, and supply of a research vessel) and noted that they were not undertaken in a timely manner. This was as a result of rising water levels and delays in GoU counterpart funding that affected works.
	ENERGY SECTOR	•
1.	Electricity Regulatory Authority (ERA) 2022/22 <u>Opinion</u> Unqualified	• I noted that out of the budgeted revenue of UGX 30.432Bn, a sum of UGX.30.046Bn was realised representing a performance of 99%. The received funds were fully absorbed. • Out of the fifty-two (52) outcomes under the six (6) core focus areas, twenty (20) outcomes had been fully achieved, thirty-one (31) were partially achieved while one (1) outcome under accelerating electricity access was not achieved. Out of a total of 342 activities planned to be implemented, 263 activities (76.9%) were completed, 73 activities (21.3%) were still in progress while 6 activities (1.8%) were not executed. Non-implementation of activities affects achievement of intended service delivery outcomes. • The total staff establishment was at 92 persons and only 63 (68%) positions had been filled.

		• The average annual quality of service performance for the distribution companies, especially those operating in rural areas was 60%, while that of UMEME was 90%. • There are inadequacies in the awareness of the existence of the rebate policy, which has resulted in only two (2) rebate applications being processed, with an expected installed capacity addition of 9.1 MVA. • A review of the management of IT investments revealed inadequacies including; failure to seek clearance from NITA(U) on acquisitions, non-integration of IT systems and applications, lack of a specific structure to steer and oversee ICT implementation, staffing gap and failure by Internal audit to review the ICT systems that produce financial statements.
2.	Grid Extension and Reinforcement Project- Ministry of Energy and Minerals Development (MEMD) Opinion Unqualified	• Out of the budgeted Loan disbursements and GoU funds of USD.1.08Mn and USD.0.053Mn, only USD.0.85Mn and USD 0.044Mn was received, resulting into revenue performance of 78.7% and 83.48% respectively. • I noted that out of the available funds for the year totalling to USD.1.549Mn comprising an opening balance of USD.0.655Mn and USD 0.894Mn received during the year, only a total of USD 0.82Mn was utilised during the year, leaving a balance of USD.0.73Mn, representing an absorption rate of only 52.9%. • As at 30th June 2022, 5 years into implementation, it was noted that only USD.2.815Mn (80.4%) had been released to the project of which only USD.2.085Mn (74.1%) had been spent hence putting the overall loan absorption at 59.6% by 30th June 2022. The project was expected to close on 31st October 2022 but has since been granted an extension of up to 30th April 2024. • I noted delays in project implementation with several activities still in progress under; Safeguard Supervision and Monitoring consultant, Consultancy services for Gender Based Violence/Violence against Children, Consultancy services for Social Safeguards specialist and Power Subsector Sector Strengthening.
3.	Hydropower Operations and Maintenance Excellence (HOME) Project Dec 2021 Opinion Unqualified	• I noted that the project Statement of Financial Position included an amount of UGX 17.71 billion, being the Project cash balance as at 31st December 2021. However, management did not open a separate bank account for the project as required by the Grant Agreement (Clause 5.6) and Chapter 13 of UEGCL's Finance Regulations Manual. Co-mingling of grant funds with other funds makes them susceptible to misuse, and it renders it difficult to easily ascertain the accuracy of the project balances. • In the period under review, I noted that the absorption of budgeted funds was only NOK.2.274m of the budgeted NOK.30.278m, representing a 7.5% absorption level. Low funds absorption leads to delayed implementation of critical project activities, which may hinder project effectiveness.
4.	Fuel Marking Quality Programme (FMQP) Opinion Unqualified	• The entity budgeted to receive UGX 9.684Bn out of which, UGX 9.288Bn was realised, resulting in a shortfall of UGX.0.396Bn. The shortfall represents 4.08% of the approved budget. • I assessed the implementation of a sample of five (5) outputs that had been fully quantified with a total of twelve (12) activities worth UGX.2.590Bn and noted that one (1) output with two (2) activities and expenditure worth

		UGX.1.493Bn were fully implemented. Four (4) outputs with ten (10) activities worth UGX.1.097Bn were partially implemented. • Review of the compliance assessment results of 3,132 fuel stations assessed in Central, Eastern and Western regions against the different clauses of US 947-1:2019 standards revealed that a total of 1,773(57%) of the fuel stations contravened the required standards. • Fuel marking laboratory established in 2009 and as at June 2022, the laboratory had not yet attained ISO accreditation as at June 2022. • I noted that the Programme uses uncertified service providers in conducting the calibration exercise of laboratory equipment. This could lead to equipment breakdown or invalid test results leading to loss of customer confidence. • There are inadequate working and safety conditions at Malaba and Mutukula petroleum laboratories.
5.	Energy for Rural Transformation III PSFU Project (ERT III). Opinion Unqualified	• The entity did not receive any funding for the period under review. The funds amounting to USD 254,802 carried from prior year were available for spending during the period. Out of this, USD. 230,234 was spent by the entity and USD. 7,810 lost in foreign exchange resulting in an unspent balance of USD. 16,758 representing absorption level of 93% for the year. • I noted that UGX. 7,412,500 related to an outstanding payment to Comboni Technical Institute for training fees has remained unpaid having bounced several times. • I noted that out of the project cumulative receipts of USD. 1,747,860, only USD. 1,726,531 was absorbed by the project representing an absorption level of 98.7% over the project life. • As at 31st December, 2021; 860 trainees had qualified for the electrical installation permit, grade D, exceeding the objective target of 850 certified wiremen. However, objective of developing six Community Based Micro Hydro Power Generation Schemes in the districts of Kabarole and Kasese was not achieved. There was no Pico /micro scheme developed at the time of project closure.
6.	Uganda Rural Electricity Access Project (UREAP). Opinion Unqualified	• I noted that, for the financial year 2021/22 the project had a Budget of UGX.112,283,563,000, out of which UGX.72,711,272,991 was disbursed representing a shortfall 39,572,290,009, which is 35.2% of the Budget. • I also noted that as at 1st July 2021, the project had an opening balance of UGX.564,461,546. During the year UGX. 72,711,272,991 was released, thus leading to total available funds of UGX.73,275,734,537. Out of which, UGX. 71,218,963,281 was utilised representing an absorption level of 97.2%. • I noted that as at 30th June 2022, the Bank had disbursed USD 64.19Million and Euros 9.23Million against the Loan credit facility of USD 100 Million and Grant of Euros 11.205 million representing 64.19% and 82.35%, respectively. I further noted that the deadline for disbursements for the loan funding (project closure) was revised to 31st December, 2023 from 31st December 2020 and that of the grant maintained at 31st December, 2022 after a number of projects lagged behind.

		• I noted delays in implementation of the works and the overall project completion for the lots-1-7 was at 83% and Lots-10-13 at 59.84%. Notably, under Lots 10 and 13, Medium Voltage stringing, and Low Voltage (LV) stringing had not yet commenced and so has customer connections in all the lots. Under Lot 7 Low Voltage Pole erection was at 61% and stringing at 9.9%. • Supplies in the Lot 9A category (supply of pre-paid energy metres) at the time of audit had not yet been delivered due to divergent views and on-going negotiations on the understanding of the technical requirements for the prepaid energy meters between MEMD and the supplier (XJ Group), discussions were yet to be concluded as at year end. • Out of 7 batches submitted by UMEME for connections from supplies under lot 8A and 8B, only batch 1 and 2 had been verified by MEMD causing a delay in the necessary funding for completion of the exercise; A total of 16,518 verified eligible connections had been invoiced by UMEME but not paid for L&T and inspection fees for no pole services amounting to UGX.1,404,030,000 (VAT exclusive).
7.	Gulu – Agago Transmission Line project Opinion Unqualified	• Out of the budgeted Donor and GoU funds of USD.15.69Mn and USD.1.99Mn, only USD.3.92Mn and USD.0.56Mn was received resulting into revenue performance of 25% and 28% respectively. • I noted that out of the available funds for the year totalling to USD. 6.26Mn, only USD.1.38Mn was utilized, leaving a balance of USD.4.88Mn, representing an absorption rate of only 22%. • I noted that UGX 217.34Mn of the prior year outstanding receivables related to funds due from a Contractor, whose contract for construction of PAPs resettlement houses had been terminated. Construction of only 7 houses out of the 17 had commenced. In addition, out of the 472 PAPs set for cash compensations, 463 disclosures had been made representing 98%. Of these, 459 (97%) agreements were obtained from the disclosures, out of which 2 (0.4%) disputes arose, and payments to 455 (96.4%) PAPs were made by year end. • I noted delays in project implementation with; Tower structures at 37.5% against a planned target of 77% and Substations and HPP switchyard station at 17.49% against a planned target of 48.4%. Major Project works such as; Survey, Design, Supply and Installations works had not yet commenced as at 30th June 2022.
8.	Energy for Rural Transformation III (ERT III) –REA Project. Opinion Unqualified	• I noted that as at 1st July 2021, the Project had an opening balance of UGX 41.24Bn. During the year UGX.86.35Bn was disbursed. The available funds totaled to UGX.127.59Bn, out of which, UGX.62.02Bn was utilized on grid intensification and extension projects and Last Mile Consumer Connections, leaving an unutilized balance of UGX.65.5Bn, representing an absorption level of 51.3%. • I observed that the total amount of credit for the project was USD 143.2 Million (USD 135M IDA Credit and USD 8.2M GEF grant). Of which, USD 116.1 Million relates to REA. By the end of the financial year, the Bank had only disbursed USD 76.9 Million, representing 66% of the total credit to REA. • I noted that Fast Track 1 Kiganda-Mile 16 was completed and commissioned on 5th February, 2021, while Fast track 2 Ruhumba-Kashwa was completed and commissioned on 28th August 2021. The Projects were handed over

		to respective utilities for operation and maintenance. However, there are outstanding PAPs under these projects that have not been identified and paid. The compensatory funds lie on an escrow account • I noted that Fast Track 3&4 Line contracts were signed on January 2020, and were expected to be completed within 15 months. However, although the commissioning dates had been extended to 25th/Sept/2022 and 27th/Aug/2022 for lines 3 and 4 respectively, by October 2022, both lines had not yet been commissioned. • I noted that Lines 11-21 under lots B, C and D experienced delays and compensation of PAPs was cited as the major reason for delayed erection of poles and line stringing. Particularly, none of the PAPs under the rerouted line 18 had been compensated although the valuation report had been submitted to the CGV. • I noted that the schemes under grid intensification and associated connections were largely delayed due to to delays in compensation of PAPs as well as non-conformance of the transformers to the approved specification at the time of Factory Acceptance Tests under Umeme Scheme, Batch 1. • To-date, out of 48,152 PAPs approved for compensation, only 34,722 PAPs have been paid. Out of the approved compensation amount of UGX.34,207,862,587, only UGX. 23,138,699,477 was paid leaving a balance of UGX.11,069,163,110 as the outstanding compensation amount.
9.	Masaka-Mbarara Transmission Line and extension of substations project <u>Opinion</u> Unqualified	• Out of the budgeted GoU funds and Loan disbursements of USD 3.40Mn and USD 1.71Mn, respectively, only USD 1.01Mn was received under GOU. There were no donor funds received due to low absorption capacity of the donor funding, resulting into revenue performance of only 29.8%. • I noted that out of the available funds for the year totalling to USD 15.66Mn, only USD 9.07Mn was utilized, leaving a balance of USD 6.59Mn, representing an absorption rate of only 58%. • I noted that implementation of the project was lagging behind the planned timelines, notably the construction had not commenced as planned. • I noted delays and challenges in implementation of RAP. Out of 2,654 PAPs approved for compensation, only 847 PAPs had been paid, leaving 1,807 (32%) PAPs not paid. . I further noted that out of the 2,654 PAPs, 1,704 disclosures had been made representing 64% and 1,617 (61%) agreements were obtained from disclosures.
10.	Uganda National Refinery Company <u>Opinion</u> Unqualified	• The Entity budgeted to receive UGX 6.97Bn, out of which UGX 5.61Bn was availed, resulting in a shortfall of UGX 1.36Bn which represents 20% of the budget. • Various construction projects at Kabaale Industrial Park had progressed to significant stages. However, the Refinery FID was extended to mid-2023, crude oil export hub was not undertaken, Kabaale airport construction was 85% complete, and road construction and other amenities were on-going. • The construction of the Refinery had not commenced. Agreements such as; Implementation Agreement, Crude Supply Agreement, and Shareholders Agreement were not in place although negotiations had commenced. In addition, the resettlement Action Plan (RAP) was not completed.

11.	Kampala Metropolitan Transmission System Improvement Project. Opinion Unqualified	• I noted under Donor funding that the Entity budgeted to receive USD 585,915, out of which USD.127,317.33 was released, resulting in a shortfall of USD 458,597.66 representing 78% of the Budget. Under Gou Funding USD. 1,900,000 was budgeted, Out of which USD. 1,047,848.46 was released, resulting in a shortfall of USD 852,151.5 representing 45% of the Budget. • Out of the available funds of USD.7,628,745.3 for the period under review, USD 2,409,128.47 was utilised, leaving a balance of USD. 5,219,616.83, representing an absorption rate of 31.5%. • There are significant delays in project implementation. The initial project completion date was February 2022. However, by November 2022, UETCL was still undertaking the procurement process of the EPC contractor. • Out of 129 Project Affected Persons (PAPs), 115 (89%) had been compensated
12.	Strengthening Management of Oil and Gas Sector in Uganda Programme (SMOGU)	• The Programme budgeted to receive USD 738,078 for the period under review, and only USD 551,358.46 was realized representing, 75% of the budget. • During the financial year, USD 551,358.46 was available for spending on the Local account, out of which, USD 429,604 was spent by the project resulting in an unspent balance of USD 121,754.46, representing an absorption level of 77.9%. • The counterpart funding for the program from GoU amounting to MNOK 12,401. (USD 1.256 Million) was not realized.
13.	Petroleum Authority of Uganda (PAU). Opinion Unqualified	• The entity budgeted to receive UGX.65.22Bn out of which UGX. 55.22Bn was warranted, resulting in a shortfall of UGX. 10Bn. The shortfall represents 15.3% of the approved budget. • Out of the total warrants for the financial year of UGX. 55.22Bn, only UGX.54.68Bn was spent by the entity resulting in an unspent balance of UGX.0.54Bn, representing an absorption level of 99.02%. • I noted that of the 7 quantified activities worth UGX.27.59Bn assessed; none of the activities was fully implemented, 37 activities representing 94.87% were partially implemented, while 2 activities representing 5.13% were not implemented. • I noted that out of 277 total staff establishment, only 202 (73%) positions had been filled, leaving 75 (27%) positions still vacant. This adversely affects the implementation of the Authorities Operations. • I noted during the review of the ICT investment that the Authority had total warrants for the financial years for IT investment of UGX. 13.111Bn and only UGX. 12.611Bn was spent by the entity resulting in an unspent balance of UGX.0.54Bn representing an absorption level of 96%.
14.	Grid Expansion and Reinforcement Project (GERP)-UETCL.	• Out of the budgeted Donor and GoU funds of USD. 30,311,916 and USD 714,286, only USD. 25,773,250 and USD 216,497 was received resulting into revenue performance of 85% and 30% respectively.

	Opinion Unqualified	• I noted that out of the total available funds for the year of USD. 54,992,890, only USD. 16,203,439 was utilized, leaving a balance of USD. 38,789,451, representing an absorption rate of only 29.4%. • Out of the total amount of credit for the Project of USD 127.3 Million (USD 100M IDA Credit and USD 27.3M GoU counterpart funding), only USD 55,230,250 (55.2%) and USD 8,161,920 (28.8%) had been disbursed under IDA funds and GOU funds respectively. • Out of the annual target of 95% progress, under Lot 1; -Construction of 132kv Double Circuit Transmission Lines, only 68% was achieved. Out of the annual target of 99% progress under Lot 2- construction of Substations, only 56.8% was achieved. • Out of 3,364 identified PAPs under Kole-Gulu-Nebbi-Arua Section, only 2,952 (87.8%) had been compensated. Significant delays were noted under the Arua Section, out of 633 PAPs, 160 (25%) had not been compensated under the Arua section, while out of 2,351 under Gulu-Nebbi-Arua Section, payment to 386 PAPs (17%) remained outstanding. Construction of PAP houses was yet to be completed.
15.	Uganda Petroleum Fund (UPF). Opinion Unqualified	• During the year, funds amounting to UGX.10,945,470,241 were not transferred by Uganda Revenue Authority to the Petroleum fund account Contrary to Section 56 (2) and (3) of the PFMA, 2015. This affects timely disbursement of funds to the Consolidated Fund. • I noted that, funds were neither appropriated nor transferred to the Reserve despite the establishment of the Petroleum Revenue Investment framework/Policy. The net cash and bank balance on the Fund of UGX.110,238,744,342, as at June 30th 2022, remained unutilized. • I noted that the Investment Advisory Committee to the Minister was faced with challenges of inadequate funding of its planned activities. Activities such as benchmarking with oil producing countries and some trainings, among others, were not undertaken
16.	Uganda Electricity Generation Company Limited (UEGCL) Opinion Unqualified	• Out of the planned revenue of UGX.259.3Bn, the Company realized UGX.210.9 Billion representing a performance of 81.4% of the target. • Un – implemented activities/Projects of UGX. 522,000,000 under Nyagak III HPP • Delayed implementation of projects of Isimba HPP at 99.5% completion, Karuma HPP at 96.7%, Muzizi HPP at 55.4%, Nyagak HPP at 82.6% • Out of the total funds available in the year of the Norwegian Grant of UGX. 20,116,425,000, only UGX 1,395,157,000, was spent resulting into an under absorption of UGX. 17,653,567,000. The company returned UGX 1,067,701,350 in the year under review relating to previous activities not undertaken.

		• Long outstanding Payables of UGX 985,000,000 relating to penal interest charged by URA, resulting from late payment of WHT on consultancy services for the period 2001-2009. • Delayed commissioning of Karuma Dam, completion date was extended to 22nd January 2023, resulting in a delay of 3 years and 6 months from the initial planned completion date. • Non-conformances (NC) in relation to electrical, mechanical and civil works components that required rectification before commissioning of the Karuma dam. • Delayed completion of Project snags at Isimba HPP. The Defects Liability Period was extended from 1st April 2022 to 30th September 2022 • Pending activities after Final Loan draw down for Isimba HPP. Although, the final loan drawdown date was 21st December 2021, certain activities were outstanding, for instance; the floating boom installation and access road construction. • Damaged equipment after the flooding of Isimba HPP. The Company spent UGX 1.3Bn to fix the damage, but other repairs and replacements were yet to be undertaken. The flooding was attributed to the contractor's failure to fix all the snags. • Revenue loss due to Irregular Energy Billing at Isimba HPP: UGX 56 Billion. This is because the Company bills energy sold and not the available capacity. • Payments to owner's Engineer Isimba HPP: UGX. 1,494,332,008, resulting from delay in completion of rectifications by contractor • Rehabilitation of the Nalubaale – Kiira hydropower plants. I noted that with concern the withdrawal of KfW from the funding of the proposed rehabilitation of the Nalubaale – Kiira hydropower plants • Expired final drawdown period of KfW Loan worth Euros 40 Million for Muzizi HPP (44.7MW) of 30th December, 2021, without any evidence availed to confirm that the entity applied for an extension from the lender in regard to extending the final drawdown date.
17.	Mutundwe-Entebbe 132kv Double Circuit Transimssion Line Project - UETCL June 2021 Opinion Unqualified	• I noted that a total of 79 land titles that project affected persons handed over to UETCL were physically missing from the UETCL archives. • I noted delays in transfer of land titles, out of 346 titles received from PAPs only 3 were processed.

		• I noted that whereas the compensation process started in December 2015, as at 30 June 2021, out of 1,053 project affected persons, only 880 had been compensated
18.	Uganda Electricity Distribution Company-UEDCL Opinion Unqualified	• Out of the planned revenue of UGX.89.35Bn, the Company realized UGX.73.32 Billion representing a performance of 82% of the target. • Out of the total receipts of UGX 73.32Bn, only UGX 66.091Bn was absorbed representing absorption rate of 90%. • Out of the one hundred (100) key initiatives implemented under six (6) sampled departments and Units ,47(47%) tasks had been fully implemented, 45(45%) were partially implemented while 7(7%) were not implemented during the year. • I noted outstanding receivables for energy bills by Government entities of UGX. 68,333,895,572, and this resulted into withdrawal of the sum from the escrow Account. • The Company had recognized payables of UGX 9.258 arising from Power Evacuation Losses stemming from absence of adequate and appropriate transmission lines to evacuate generated electricity from Kikagati, Nkusi, Mpanga and Siti Power Plants. • I noted delays in connection of New Service Customers within the stipulated timelines and several Faulty Meter Complaints from customers. The delays ranged between 10 to 500 days.
19.	Uganda National Oil Company Opinion Unqualified	• The entity budgeted to receive funding from government and internally generated resources amounting to UGX 130.67Bn, out of which UGX 48.29Bn was received, representing a budget performance of only 37%, it was also noted that the funding gap was majorly from less Gou funds warranted. • Out of the total budget of UGX. 129.10Bn expected to be funded by government, only 46.59Bn was actually received, creating a funding gap of UGX. 93.16Bn. • Out of the received government funds, UGX. 35.93Bn was actually spent, representing an absorption level of 77% and an expenditure • I noted that annual work plans are not harmonized with the budget estimates, and as a result the work plan and activity performance are monitored separately and are not quantified. It is difficult to harmonize funds spent in relation to budget, work plans and actual performance. • I noted that out of the twenty-four (24) KPI's sampled under the four (4) core focus areas and fifteen (15) objectives, thirteen (13) KPI's had been fully achieved, nine (9) were partially achieved while two (2) KPI's under Maximize Shareholder Value and increasing profitability were not achieved as summarized in the tables below.

		• A review of the Land held by the entity revealed that the entity did not have Land titles for two (2) pieces of land measuring approximately 2,221.839 hectares. • I noted through land inspection, document review and inquiries with management that Plot 7 in Namuwabula Estate Mpigi District measuring approximately 121 hectares (5.4%) out of the total entity land measuring of 2,223.339 hectares had encumbrances in the form of encroachment and was not utilized by the entity at the time of Audit. • I noted that the implementation of key interventions under the UNOC Flagship Projects is behind schedule. These activities include construction under the EACOP Project, the Refinery Project, Kabaale Industrial Park, construction of the oil Jetty and Pipeline at JST, as well as undertaking the Engineering Procurement and Construction activities at the Kampala Storage Terminal. • A review of the approved structure and the staff list revealed that out of the 261 approved posts for the company, only 114 (44%) were filled leaving 145 (56%) posts vacant. • Internal Audit did not review the ICT systems that produce financial statements. There is a risk that internal control weaknesses related to ICT system may not be detected timely.
20.	Uganda Refinery Holding Company Ltd <u>Opinion</u> Unqualified	• The Entity budgeted to receive UGX 6.97Bn, out of which UGX 5.61Bn was availed, resulting in a shortfall of UGX 1.36Bn which represents 20% of the budget. • Various construction projects at Kabaale Industrial Park had progressed to significant stages. However, the Refinery FID was extended to mid-2023, crude oil export hub was not undertaken, Kabaale airport construction was 85% complete, and road construction and other amenities were on-going. • The construction of the Refinery had not commenced. Agreements such as; Implementation Agreement, Crude Supply Agreement, and Shareholders Agreement were not in place although negotiations had commenced. In addition, the resettlement Action Plan (RAP) was not completed.
21.	Uganda Electricity Transmission Company Limited (UETCL) 2021/22 <u>Opinion</u> Unqualified	• Out of the budgeted Tariff revenue and GoU funding of UGX.1.447Tn and UGX.85.46 Bn respectively, UGX.1.546Tn and UGX.28.186 Bn was realised, respectively, representing a performance of 6.85% surplus above the Tariff Budget target and a budget shortfall of 67% under GoU Funding. • I sampled twelve (12) activities under two (2) projects worth UGX.76.173Bn and three (3) activities under the key performance indicators (KPIs) for the FY 2021/22. I noted that two (2) projects and nine (9) activities in relation to construction works were partially implemented while one activity in regards to Karuma project was not implemented. • Included under Note 23, trade and other receivables is an amount of UGX.647 Bn, relating to trade receivables. UGX. 88.8Bn relates to outstanding energy sales for the period which was over 90 days over due.

		• Out of the staff structure of 491 staff only 357 positions were filled, resulting in a staffing gap of 134 (27%) of the staff structure. • I noted that UETCL o the Rural Electrification Fund evacuates power over weak third-party grids, The entity relies on 33KV infrastructure of UEDCL, REA and UMEME as wheelers, to evacuate power. The lines are faced with various faults and outages making it unreliable. I further noted that there were no formal wheeling agreements imposing duties and obligations for the third-party wheelers. • I noted non-remittance of the 5% Rural Electrification Levy by UETCL, amounting to UGX.131,958,754,535, contray to the electricity (establishment and management of Rural electrification fund) instrument No. 75 of 2001 and instrument number 29 of 2021. • I noted termination of the contract for the construction of houses for Project Affected Persons, due to submission of false extensions of advance payment guarantee by contractors amounting to UGX. 256,455,705 and performance bond guarantee amounting to UGX. 128,227,852. • The progress of execution of work by the new contractor under LOT A (Uganda- Kenya Overhead transmission line) was at only 30%, 60% of the works were affected by court injunctions and 10% by failure to procure materials to cover the vandalized sections. • I noted cases of increased vandalism of UETCL's installations specifically the transmission lines and substations. The theft of Capacitor banks at Namanve substation, the theft of copper cables at Queen's way substation, theft of transformer oil from the Soroti substation tower vandalism at NELSAP and many others, resulted in a Loss of UGX. 184,206,894 • The ICT systems such as Sun system, Payroll System, Geographical Information System and Budget Information System were not properly integrated to enable sharing of information.
22.	National Pipeline Company <u>Opinion</u> Unqualified	• The Entity budgeted to receive UGX 10.43Bn, out of which UGX 6.29Bn was availed, resulting in a shortfall of UGX 4.14Bn which represents 39.6% of the budget. • I noted that the consortium managing the Jinja Storage Tanks had expressed challenges in the stocking of the expected twelve (12) Million litres as the minimum National Strategic Reserve and has since communicated its intention to opt out of the JV partnership in FY 2022/23. • I noted that the construction of an oil jetty and connecting pipeline to Jinja Storage Tanks had not commenced, as expected. • I noted that the Company was unable to secure a Joint Venture Partner for the planned Engineering, Procurement and Construction (EPC) of the Kampala Storage Terminal. As a result, the activities under the Terminal were not undertaken as planned.

23.	Uganda Energy Credit Capitalisation Company Limited <u>Opinion</u> Unqualified	• During the year, Government provided only UGX 500 million, out of the allocation of UGX 8 billion for the Orio Mini Hydro Power grant project. Cumulatively, only UGX .32.6 billion (29.6%) of the total budgeted cost of UGX.110.06 billion has been provided by the Government of Uganda as counterpart funding. The inadequate release of counter funding is affecting project part effectiveness.
24.	The Ministry of Energy and Mineral Development (MEMD) 2021/22 <u>Opinion</u> Unqualified	• The ministry budgeted to receive UGX. 622.775Bn out of which UGX. 480.146Bn was warranted, resulting in a shortfall of UGX.142.63Bn. The shortfall is 23% of the approved budget. • I noted that the entity budgeted to collect NTR of UGX. 54.27Bn during the year under review. Out of this, only UGX. 32.689Bn was collected, representing a performance of 60% of the target. • Out of the total receipts for the financial year of UGX. 480.146Bn, a sum of UGX. 479.284Bn was spent by the entity resulting in an unspent balance of UGX. 0.863Bn, representing an absorption level of 99.8%. • I noted that One (1) output with one (1) activity and expenditure worth UGX. 0.054Bn was fully implemented, Twenty-five (25) outputs with ninety-nine (99) activities worth UGX. 289.953Bn were partially implemented while Fourteen (14) outputs with twenty-eight (28) activities worth 0.496Bn were not implemented at all. • I noted delays in titling of the acquired land under the major dam projects despite having started the processes as early as 2013. For instance;23 titles out of 137 titles have been processed under the Isimba Dam project, while no titles had been transferred into the ULCs name for the benefit of MEMD under the Karuma dam project. • In addition, although UGX. 1,666,421,984, was paid out as Mineral Royalties during the year, UGX. 674,446,095 remained outstanding. • Furthermore, the Ministry had outstanding domestic arrears of UGX 8.2Bn. This amount related to outstanding, debenture payment on Isimba and Karuma HPPs, Corporation Tax Obligation of Amber House Ltd as well as Contributions to International Organizations. • Management planned to distribute 200,000 Promotional cylinder Kits annually for 5 years. However, only 6,000 kits were acquired and distributed during the year due to inadequate funding.
25.	Kilembe Mines Ltd (KML) <u>Opinion</u> Unqualified	• The entity budgeted to receive UGX.4.47Bn out of which, UGX.1.83Bn was realised, resulting in a shortfall of UGX.2.64Bn which is 59% of the budget. • I noted that the Company had an outstanding receivable of UGX.2.31Bn as at 30th June 2022, 54% of the amount relates to unpaid rent from Tibet Hima Mining Co. Ltd. • The Company had outstanding payables of UGX.2.36Bn. The amount increased from UGX.2.28Bn to UGX.2.36Bn resulting into an increase of UGX.75,672,320 (3%) as at 30th June 2022.

		• The company had a total outstanding statutory obligation of UGX.310,173,160 attributed to URA and NSSF. The delayed payment of statutory deductions may attract fines and penalties. • Five (5) years have elapsed without an investor/operator being identified to take over Kilembe Mines operations, following the termination of the Tibet Hima Concession Agreement. • A review of the monthly Energy sales of Mubuku HPP for the FY 2021/2022 revealed that the plant evacuated 5,446.09 MWh, which translated into UGX.471,702,475. The plant's annual available capacity is 21,960.00MWh which would result into revenue of UGX.1,927,690,934.This implies that the company was failing to generate revenue amounting to UGX.1,455,988,459 annually. • I noted that the Company had not undertaken an environment Audit, contrary to Section 4.5.6 of the Generation license that requires the Licensee to provide to the Regulatory a detailed environmental audit on an annual basis.
26.	Atomic Energy Council <u>Opinion</u> Unqualified	• Out of the planned revenue of UGX.40.4Bn, the Council realized UGX.12.5 Billion representing a performance of 69% of the target. • Out of the seven (7) sampled activities worth UGX 24.6Bn, four (4) activities were partially implemented worth UGX. 11,810,138,800 while 3 (three) activities worth UGX. 12,767,593,500 were not implemented at all. In addition, management did not execute all procurements planned for the period under review worth UGX. 5.9Bn • I noted that AEC does not have quality Assurance Laboratories required for proper functioning and execution of council mandate. In addition, AEC does not have sufficient Inspection Equipment thus compromising on the required frequency of inspections. • Due to inadequate space, management did not utilise the radiation detection, environmental monitoring and emergency preparedness and response equipment which was procured by Council. Construction of the UGX 1.5 Bn technical block at Mpoma was yet to commence. • Out of the approved structure of seventy (70), only forty-one (41) positions (58.6%) were filled leaving twenty-nine (29) positions vacant •
27.	Energy for Rural Transformation Project (ERT III)-PCU <u>Opinion</u> Unqualified	• The entity did not receive any funding for the period under review. The funds amounting to USD 254,802 carried from prior year were available for spending during the period. Out of this, USD. 230,234 was spent by the entity and USD. 7,810 lost in foreign exchange resulting in an unspent balance of USD. 16,758 representing absorption level of 93% for the year. • I noted that UGX. 7,412,500 related to an outstanding payment to Comboni Technical Institute for training fees has remained unpaid having bounced several times.

		• I noted that out of the project cumulative receipts of USD. 1,747,860, only USD. 1,726,531 was absorbed by the project representing an absorption level of 98.7% over the project life. • As at 31st December, 2021; 860 trainees had qualified for the electrical installation permit, grade D, exceeding the objective target of 850 certified wiremen. However, objective of developing six Community Based Micro Hydro Power Generation Schemes in the districts of Kabarole and Kasese was not achieved. There was no Pico /micro scheme developed at the time of project closure. •
28.	Opuyo- Moroto 132kv Transmission Line Project - (UETCL) Dec 2021 Opinion Unqualified	• I noted that the project receivables decreased from USD.4,116,412 (2020) to USD.56,741 (2021). The outstadnig receivables related to funds due from UETCL (USD.53,135) and advances to staff of USD.3,606. There is a risk that these funds may never be recovered, yet the project was closing. • I noted that despite the project being closed, out of 1,360 PAPs, only 1,333 had been compensated leaving a balance of 27 (3%) by 31st December 2021. There is a risk that the outstanding compensation to PAPs may not be completed due to project closure.
29.	Energy for Rural Transformation III Implemented by Uganda Energy Credit Capitalization Company Limited (ERT III-UECCCL) Opinion Unqualified	• During the year, Government provided only UGX 500 million, out of the allocation of UGX 8 billion for the Orio Mini Hydro Power grant project. Cumulatively, only UGX .32.6 billion (29.6%) of the total budgeted cost of UGX.110.06 billion has been provided by the Government of Uganda as counterpart funding. The inadequate release of counter funding is affecting project part effectiveness.
	EDUCATION SECTOR	
1.	Ministry of Education and Sports Opinion Unqualified	• The Ministry budgeted to collect NTR of UGX.6.3Bn during the year under review out of which, only UGX.0.064Bn was realized, representing a performance of only 1% of the target. The entity further budgeted for GOU receipts of UGX.535.284Bn of which UGX.415.72Bn was warranted, resulting into a shortfall of UGX. 119.56Bn which is 22.33% % of the budget. • Out of the total receipts for the financial year of UGX. 415.72Bn, a sum of UGX. 412.98Bn was spent by the Ministry resulting into an unspent balance of UGX. 2.7Bn representing an absorption level of 99.3%. • I assessed the implementation of a sample of sixty-one (61) outputs that had been fully quantified with a total of one hundred thirty-four (134) activities worth UGX.411.48Bn and noted that; Fifteen (15) outputs with twenty-one

		(21) activities and expenditure worth UGX.63.71Bn were fully implemented. Twenty-nine (29) outputs with eighty (80) activities worth UGX.320.27Bn were partially implemented. • I noted that out of the 3 pieces of land measuring approximately 9.749 hectares the entity held, 1 piece of land measuring approximately 3.77 hectares (39%) did not have a land title. • I also noted that the title for 1 piece of land measuring approximately 1.935 hectares was not transferred from the previous owners • I noted that advances to various Education Institutions for Infrastructure development amounting to UGX. 2,348,930,185 remained outstanding. • I noted that payables increased from UGX. 39,452,425,980 in the FY2021/22 to UGX.78, 254,703,720 in the financial year under review representing an increment of UGX.38,802,277,740 (98%) • I noted that the contract duration of 5 constructions under implementation had expired before completion. In addition, out of a combined contract sum of UGX.2,966,331,534, only UGX.1,014,245,153 (34%) had been paid to the respective contractors. • The Ministry of Education and Sports did not provide an adequate budgetary provision for the settlement of liabilities relating to court awards and compensations of UGX.22,881,496,579 • This amount would have been avoided had the Ministry settled her obligation in time.
2.	CASH-IN: Privately Managed Cash Transfers in Africa Project Dec, 2021 <u>Opinion</u> Unqualified	• A review of the Project funding revealed that out of the received grant of DKK306,394 (US $49,730.41) only DKK202,954.07 (US $32,947.09) was expended reflecting unspent funds of DKK103,439.93 (US $16,783.32) resulting into underperformance of 33.75% • I noted that management deducted overheads in access of DKK8,531.55 (US $1,392.30). The actual project expenditure was US $26,295.66 (DKK161,981.27) but management charged administrative fees of US $6,651.43 (DKK40,972) representing 25.3% of actual expenditure contrary to Article 5 of the Partnership Agreement on research collaboration for CASH IN Research Programme which requires overheads to be deducted at 20% on actual spending (and not budgeting). • I however noted that Makerere University, being the partner institution did not return unspent amounts worth US $16,783.32 (DKK103,439.93) to the coordinating institution. • From the review of the bank statements, I noted that Project funds were placed on a general college account in Standard Chartered Bank contrary to the requirements of the agreement.
3.	ARSDP (MOES Component) <u>Opinion</u> Unqualified	• I noted that there was no approved budget or supplementary budget for the IDA Donor funding, and the project was not included in the PIP. The Project funding of UGX.57.20Bn for the year under audit was not included in the Vote's approved estimates for the year, hence off-budget financing.

		• A review of the ARSDP Project Financing Agreement signed on the 24th August, 2015 indicated that the project which was supposed to end on 30th June, 2019 had its completion date revised thrice to 31st December 2022 due to delayed commencement. • I noted that the mid-Term Bursary Scheme Review Report had not been produced hindering timely remedial actions which may affect the Project's ability to achieve its intended objectives. • I noted that there were some Bursary scheme management activities which were not achieved, such as the development of a framework for transfer of knowledge to the client staff and the design of a tracking system to monitor training providers and trainees.
4.	CASJET Project for the Year Ended 31st December, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• Whereas Section 1.2 of the Partnership Agreement stated that the project would commence on 1st January 2021, the project funds were released on 8th October, 2021, thus occasioning a delay of 7 months in the implementation of project activities in the year. Late disbursement of funds may have affected the implementation of planned project activities.
5.	CIDIMOH MAK Project Dec, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• I noted that the project was supposed to commence on 1st January 2021, however, funds were released on 28th October 2021, thus delaying the project for 8 months. This delayed implementation of project activities. • I noted that the project requisitioned funds to undertake different activities during the year. However, out of the NOK 735,552 (USD.87,464) received, only NOK 596,058 (USD.70,877), representing 81% was spent.
6.	CIDIMOH UBG Project Dec, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• No significant matter to report on
7.	COLOCAL Project Dec, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• I noted that the project approved financial need request of USD.78,717 which was disbursed, but only USD.16,696 (21%) was spent during the period under review, leaving USD.62,021 unspent (79%). This affected implementation of planned activities.

		• Whereas the Partnership Agreement stated that the project would commence on 1st January 2022, I noted that the project funds were released on 15th November, 2022, thus occasioning a project delay of almost 11 months. This affected implementation of project activities.
8.	ECARESA Project Dec, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• I noted that funds were disbursed to the project late towards the year end on 21st October 2021 which was in contravention of the Partnership agreement which required funds to be disbursed on 1st January, 2021. This occasioned a delay of almost 10 months, thus affecting timely implementation of project activities.
9.	Climate Smart Agriculture in Sub-Saharan Africa (CSA) Project Dec 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• The project requisitioned for funds as per its budget of NOK 500,216 (USD.54,371) and out of that, USD.58,382 was received during the year. The funds remained unutilized throughout the year due to COVID-19 pandemic challenges.
10.	Economic Policy Research Centre (EPRC) <u>Opinion</u> Unqualified	• I noted that EPRC received UGX.4,388,749,097 from GOU through Ministry of Planning and Economic Development in the financial year under review. The grant was not enough to finance the entities planned activities. • I further noted the GOU grant financed research activities worth UGX.256,095,782 during the year under review which represents 13% of the total research costs.
11.	Economic Policy Research Centre Jun 2021 <u>Opinion</u> Unqualified	• No significant findings to report on
12.	GENDIG Project Jun 2021 Implemented by Makerere University <u>Opinion</u>	• There was no reportable issue noted.

	Unqualified	
13.	UNFPA Funded Programme Ref; UGA08CMH/HIV/GBV/UFP/AYP/FGM implemented by the Ministry of Education and Sports, 2021 <u>Opinion</u> Unqualified	• No significant matters to report on.
14.	MATHSD Project Dec, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• Whereas Section 1.2 of the Partnership Agreement stated that the project would commence on 1st January 2021, the project funds were released on 13th September,2021, thus occasioning a delay of 8 months of implementing project activities in the year. Late disbursement of funds may have affected the planned implementation of project activities.
15.	Makerere Institute of Social Research Carnegie Corporation Grant Number G-16-54073 Support Project April 2021 to March 2022 <u>Opinion</u> Unqualified	• There were no material or reportable issues
16.	Makerere Institute of Social Research (MISR) on Decolonization, Humanities, Disciplines and the University for the Period 1st January, 2021 to 31st December, 2021 <u>Opinion</u> Unqualified	• I noted that during the year under review, a total sum of USD 38,516.64 was not accounted for by project management. Failure to account for funds could imply that the funds in question might not have been put to the intended use. • I noted an over expenditure of USD.6,724 resulting from an expenditure of USD.11,024 against a budget of USD.4,300.

17.	Uganda Covid 19 Emergency Education Response Project (UCEERP) – Ministry of Education and Sports (Grant No.TF0B3597) <u>Opinion</u> Unqualified	• I noted that out of the total funds received during the financial year under review of USD. 9.31Bn, a sum of USD.9.2 Bn was spent by the Project resulting into an unspent balance of USD. 0.102Bn, representing absorption level of only 98%.
18.	Strengthening Public Investment Management - Center of Excellence for PIM training P16990B-GRANT NO. TF0B1422 <u>Opinion</u> Unqualified	• According to the work plans, the project planned to receive US $558,252.76 out of which US $536,728.00 was received, resulting in a shortfall of US $21,524.76 The shortfall represents 3.9% of the approved work plan. • Out of the available funds of US $536,728.00 only US $438,226.38 was spent resulting into unspent balance of US $98,501.62 (18%). • Four (4) outputs with forty three (43) activities worth US $558,252.76 were partially implemented.
19.	Strengthening Public Investment Management - Center of Excellence for PIM training P16990B-GRANT NO. TF0B1422 August,2021 <u>Opinion</u> Unqualified	• According to the work plans, the project planned to receive US $809,999 out of which US $626,453 was received, resulting in a shortfall of US $183,546. The shortfall represents 22.6% of the approved work plan. • Out of the disbursed funds of US $626,453 only US $272,777.92 was spent resulting into unspent balance of US $353,675.08 representing under absorption level of 56.5%. • Four (4) outputs with forty-three (43) activities worth US $442,304.54 were partially implemented. Out of the forty-three (43) activities, the project fully implemented twenty-five (25) activities; sixteen (16) activities were partially implemented, while two (2) activities were not implemented at all.
20.	African Centre for Agro ecology and Livelihood Systems (ACALISE) Project – UMU Opinion Unqualified	• I noted that out of the available funds amounting to USD 1,596,155 (receipt of USD 1,485,162 and balance brought forward of USD 110,993) for the project operations for the financial year, only USD 891,615 was spent, leaving an unspent balance of USD 704,540. This represents approximately 56% absorption rate. • A review of the Results Framework Indicators specifically for the year under review revealed that some indicators did not perform as expected or targeted. There were no admissions for masters students. • A review of the revenue generated by the farm and the corresponding farm expenses for the year 2021/2022 revealed that the farm made a deficit of USD. 2,148. • A visit to the Soil Laboratory revealed two (2) challenges of lack of a Laboratory Technologist and lack of distilled water in the laboratory resulting from lack of an electric plug to connect the water distillation unit to the 3-phase electricity supply point.

21.	Soroti University. <u>Opinion</u> Unqualified	• I noted that the university budgeted to collect UGX. 0.88Bn as NTR for the financial year 2021/2022, however only UGX.0.43Bn was collected representing a performance of 48% of the target. • The entity budgeted to receive UGX. 24.29Bn out of which UGX. 24.27Bn warranted, resulting into a shortfall of UGX.0.02Bn, which is 0.11% of the budget. • Out of the total warrants of UGX. 24.27Bn received during the financial year, the entity submitted invoices totalling UGX.22.93Bn resulting in un-utilised warrants of UGX.1.34Bn representing an absorption level of 94.5%. • I assessed twelve (12) outputs that were fully quantified with thirty six (36) activities worth UGX 14.36 and noted that Seven (7) outputs with twenty one (21) activities and expenditure worth UGX. 783Bn were fully implemented. Five (5) outputs with fifteen (15) activities worth UGX. 6.51Bn were partially implemented. Out of the fifteen activities (15), the entity fully implemented nine (9) activities. Two (two) activities were partially implemented, while four (4) activities remained unimplemented. • I noted that a number of key positions of Professors, Associate professors, Senior lecturers and Lecturers were vacant. Out of the established structure of 1,312, only 166 had been recruited representing a percentage of 9% indicating a shortfall of 1,146 staff (91%) positions. • I noted that all the 2 pieces of land measuring 228.96 hectares (100%) valued at UGX.420, 000,000,000 held by the university, were recorded in the entity land/assets register. • I noted that out of the 2 pieces of land measuring approximately 228.96 hectares held, 1piece measuring approximately 44.66 hectares (19.4 %) valued at UGX. 81,480,000,000 had encumbrances in the form of land disputes, court injunctions and encroachment • I noted that the University did not have adequate infrastructure to accommodate the students under these specific courses. • A review of the subsequent payments of staff in the financial year under review revealed that staffs at M15 were still paid salary of M20 despite its abolishment in the FY under review resulting in under payment by UGX. 185,256,275. • I noted that the positions on the appointment letters of 37 university staff were no longer on the approved structure and there were no letters of re-designation to that effect. • I noted that the Soroti University had 5 IT systems which were not integrated or not automatically sharing information with other systems. • I noted that entity did not transfer all the two (2) land titles of land measuring approximately 228.96 hectares held, into the name and custody of the Uganda Land Commission.

		• I noted that out of the 2 pieces of land measuring approximately 228.96 hectares held, 1piece of land measuring approximately 44.6 hectares (19.51%) valued at UGX. 81,480,000,000 were not utilized by the entity at the time of audit because of the ongoing court process.
22.	Busitema University. Opinion Unqualified	• I noted that out of the projected NTR of UGX.7.53Bn, a sum of UGX.7.39Bn was collected, representing a performance of 98% of the target. • I noted that out of the approved budget of UGX.59.24Bn, a sum of UGX.51.84bn was warranted, resulting in a shortfall of UGX.7.4Bn. The shortfall represents 12.5% of the approved budget. • I noted that the University had off budget financing from development partners to a tune of UGX. 2,616,726,500 and USD. 815,318.45 for implementation of various projects. • I noted that out of the total warrants of UGX.51.89Bn received during the financial year UGX.51.84Bn was spent by the entity resulting in an unspent balance of UGX.0.05Bn, representing an absorption level of 99.9% • I noted that all the six (6) outputs that had been fully quantified with total of (16) activities worth UGX.38.74Bn were partially implemented. Out of the (16) activities, the entity fully implemented ten (10) activities; four (4) activities were partially implemented while two (2) activities were not implemented at all • I noted that the University had outstanding receivables amounting to UGX. 2,093,054,875 an increase of UGX. 789,091,874 (37.7%) from UGX. 1,303,963,001 in the prior year. The prior figure of UGX. 1,031,855,860 had been outstanding for over one year. • I noted that whereas the University received funds amounting to UGX.33.66bn to cater for wage from the Central Government, the University did not receive the corresponding wage allocation for Social benefits of UGX3.36bn (10% of the approved wage) • I noted that only 63 of the University's 216 lecturers were PhD holders while 136 staff had Master's degrees giving the University only 30.1% of PhD holders. • I noted that the University had only 500 staff in post as opposed to the approved staff establishment of 2800 staff hence a staffing level of 18%. • I noted that the University had substantive heads of departments for only 42 (55%) of its 62 departments across all its Faculties with the remaining 20 having heads of department in acting Capacity.
23.	Gulu University. Opinion	• The University budgeted to receive UGX 59.79Bn from Government support out of which UGX 56.10Bn was warranted, resulting in a shortfall of UGX 3.69Bn. The shortfall represents 6.2% of the approved budget.

	Unqualified	• All the warranted amount of UGX56.091Bn was spent by the University, representing an absorption level of 100%. • I noted that of the 12 quantified activities worth UGX45.64Bn assessed; 6 activities representing 50% were fully implemented, 4 activities representing 33.3% were partially implemented, while 2 activity representing 16.7% was not implemented. • The University acquired one (1) piece of land measuring 318 hectares. Out of the agreed purchase price of UGX 6,539,395,190 only UGX 2,356,590,768 was paid leaving a balance of UGX 4,182,804,422 outstanding. • I noted that three Gulu University Constituent College task force members irregularly received gratuity worth UGX 82,932,099. • I noted that all thirteen (13) pieces of land measuring approximately 2,532 hectares were not recorded in the GFMIS fixed asset module. In addition, 8 pieces of titled land measuring approximately 2,186 hectares were not recorded in the land/assets register, of the university; Four (4) pieces measuring approximately 961 hectares had encumbrances in the form of encroachment by the local population; and Five (5) pieces of land measuring approximately 346 hectares (14%) did not have land titles. • Included in the Universities payables of UGX6.98Bn are two interim certificates worth UGX2.606Bn for payment of the construction of the Business Development Center (Teaching Facility) at Gulu University. Due to the long outstanding Payables, the contractor stopped working and the fate of the project has remained unclear. • A review of the ICT governance structure of the University revealed that; there was no approved IT risk management framework/policy and there was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014. • During the audit of Gulu University, I observed that total of four (4) IT systems/equipment developed were not cleared by NITA-U.
24.	The Higher Education Students' Financing Board (HESFB) Opinion Unqualified	• I noted that out of the total receipts for the financial year of UGX.26.19Bn, only UGX. 24.05Bn was spent representing an absorption level of 91.83%. • I assessed the implementation a total of fifty four (54) activities worth UGX.19.99Bn and noted that; twenty eight (28) activities were fully implemented representing 52%; seventeen (17) activities were partially implemented representing 31%, while nine (9) activities remained unimplemented representing 17%. • The Board accumulated payables totalling to UGX. 15.33Bn compared to the previous year payables position of UGX.1.42Bn accounting for an increase of 977% out of which 99.4% relates to Loan disbursements to beneficiary institutions. • I noted that whereas the cumulative outstanding loan amount due for recovery from 3,025 beneficiaries by the closure of the financial year under review stood at UGX.4.305Bn, only UGX.0.308Bn representing 7% for the current financial year and a cumulative of UGX.0.609Bn had been recovered.

		- The Board reported a Loan Portfolio/investment of UGX.127.83Bn but I noted that there were analysis reports made to ascertain the risks status and aging analysis of the loan portfolio. - I observed that out of the approved establishment of 65 staff only 28 positions were filled (43%) leaving 37 positions vacant (58%). - I noted that the Board's term expired in March 2022 and there was no Board for the last quarter of the financial year 2021/2022. - Contrary to the Higher Educating Students Financing Board Act, 2014 which requires centralization of management of scholarships, it was observed that part of this mandate was managed by other government agencies such as Ministry of Education and Sports and Uganda Missions abroad. - There were gaps in risk management because of absence of fraud Prevention Mechanisms and Risk Assessment and Management Policies. - I noted gaps in the monitoring and Evaluation of the Board activities due to absence of joint Monitoring Team and Data Quality Control Strategy as required by Section 3.4.1 and 3.4.6 of the HESFB Monitoring and Evaluation Procedures Manual, 2022. - I noted that, the Board failed to charge 7% Value Retention Fee Interest on the annual students outstanding loans and delayed to operationalization the 5 year Resource Mobilization Strategy (RSM) for 2019/2020-2023-2024
25.	Kabale University. <u>Opinion</u> Unqualified	- I noted that out of the budgeted receipts from GoU of 47.898Bn, only UGX.44.611Bn was received by the entity resulting in a shortfall of UGX.3.287Bn. - Out of the total warrants of UGX.44.611Bn received during the financial year, the entity utilized UGX. 44.599Bn, resulting in un-utilized warrants of UGX.0.013Bn which represents an absorption level of 99.97%. - I noted that out of the 7 quantified activities worth UGX.3.13Bn assessed; 4 activities representing 57% were fully implemented, while 3 activities representing 43% were partially implemented. - I noted that Kabale University had long outstanding payables of UGX.1,872,390,164 - A total of 4 IT systems/equipment internally developed were not cleared by NITA-U - I noted that Kabale University had 7 systems which were not integrated or automatically sharing information with other systems. - Six (6) categories of IT equipment recommended for disposal by board of survey report were not disposed. - There were no specific structures that steer and oversee ICT implementation and there was no approved IT risk management framework/policy at the entity - I noted that the entity did not transfer the two (2) land titles of land measuring approximately 20.563 hectares into the name and custody of the Uganda Land Commission

		• A review of Plot No.364 Ndorwa Block 3 Kabale Kikungiri Hill land and Plot 66-76 Kirigime Road Land records revealed that the University had not valued its pieces of land since 2002 and 2009, respectively.
26.	Lira University. <u>Opinion</u> Unqualified	• Out of the budgeted NTR of UGX.4.948Bn, only UGX.3.621Bn was realised, representing a performance of 73.2%. • Out of the approved budget of UGX 31.811Bn, the university received warrants of UGX 27.747Bn resulting into a shortfall of UGX 4,063,277,549. (12.77) %. • Out of the total warrants of UGX.27.75Bn available for spending, invoices totalling UGX.25.31Bn were submitted resulting in un-utilised warrants of UGX.2.44Bn representing an absorption level of 91.2%. As a result of failure to absorb funds, the entity still has staffing gaps in the approved structure. • I assessed a sample of eleven (11) outputs that had been fully quantified with a total of fourteen (14) activities worth UGX.11.031Bn and noted that Six (6) outputs with six (6) activities and expenditure worth UGX8.551Bn were fully implemented. Five (5) outputs with eight (8) activities worth UGX2.480Bn were partially implemented. Out of the eight (8) activities, the University fully implemented two (2) activities while six (6) activities were partially implemented. • Out of the two (2) pieces of land measuring approximately 417.533 hectares held, (One) 1 piece of titled land measuring approximately 165.975 hectares was not recorded in the entity land/asset register. I also noted that the 2 pieces of land measuring approximately 417.533 hectares were not recorded in the GFMIS fixed asset module thus affecting the accuracy of the non-produced assets in the financial statements. • Out of the 2 pieces of land measuring approximately 417.533 hectares the University held, 1 piece of land measuring approximately 165.975 hectares (39.75%) did not have land title. • I noted that out of the 2 pieces of land measuring approximately 417.533 hectares held by the University, one (1) piece of land measuring approximately 165.975 hectares (39.75%) was not utilized while one (1) land title measuring approximately 251.558 hectares was not transferred into the name and custody of the Uganda Land Commission. • I noted that only 267 positions out of the approved establishment of 991 posts were filled leaving 724 positions vacant representing a staffing gap of 73%. • During the audit of Lira University Information Technology (IT) Investments, I observed that; A total of six (6) IT systems/equipment procured of UGX 56,410,000 were not cleared by NITA-U. In addition, 430 IT hardware equipment had exceeded the recommended five (5) years useful life, hence due for disposal. • There were no specific structures that steer and oversee ICT implementation. Furthermore, out of the total approved established positions in the structure for the ICT Department of thirteen (13) staff, only six (6) representing (46%)of the approved structure were filled leaving seven (7) (54%) positions vacant.

27.	MAK Holdings. Opinion Unqualified	• Included in payables of UGX 846,382,405 as shown in the statement of financial position and under note 18 to the accounts are long outstanding arrears of UGX 791,911,805 • Review of the Guest House cash book and bank statements revealed that out of cash collected of UGX 780,314,500, a total of UGX 371,772,200 was spent at source • I noted that Makerere University Holding Limited operated without a strategic plan an annual work plan and budget. There were no minutes to show approval and review of the strategic plan and the budget by the Board. • Mak Holdings does not have an Investment Policy and Audit Risk Management Policy. I also noted that Mak Holdings Financial Management Policy and the Mak Holdings Human Resource Manual, 2016 being implemented were not approved by the Board. I further noted that the existing policies were not communicated to employees • The Guest House is in a dire state with dilapidated structures and rooms with outdated facilities
28.	MAK Holdings. 2021 Opinion Unqualified	• I noted that the Company management budgeted to receive and generate revenue of UGX.1,892,600,000 however, only UGX.809,760,761 (43%) was realized reflecting an underperformance of UGX.1,082,839,239 which is 57% of the expected revenue for the year. • The Makerere University Guest house had accumulated creditors to the tune of UGX.620,024,827 from UGX.405,138,535 in the financial year ended 30th June, 2020 representing a 53% increase in liabilities. Some of the outstanding liabilities include statutory payments worth UGX.240,026,071. • I noted an increase in receivables of UGX.299,307,621 from UGX.271,978,943 reported in the prior year. • I noted that Makerere University Guest House issues Manual Receipts and purchases most of its supplies from suppliers who do not have the Electronic Fiscal Receipting and Invoicing System (EFRIS) contrary to Section 73A (1) of the Tax Procedures Code Act. The Company is therefore, disadvantaged from the benefits associated with the EFRIS system which includes accuracy in VAT payable and claimable records.
29.	Mapronano World Bank Project. Opinion Unqualified	• I noted out of the released US $280,331.61 under SALIVA Project, only US $178,755.45 was spent by the project resulting into unspent balance of US $101,576.16representing 36% under absorption level. • Out of the released funds worth US $404,167.62 under NANO Project, only US $254,334.12 was spent by the project management resulting into unspent balance of US $149,833.50 representing 37% under absorption. • I assessed the implementation of a sample of seven (7) outputs with a total of twenty-two (22) activities worth US $1,574,943 and noted that; Four (4) outputs with fifteen (15) activities and expenditure worth US $1,077,340.69 were fully implemented. Two (2) outputs with seven (7) activities worth US $497,602.41 were partially implemented. Out of the six activities, two were fully implemented; three were partially implemented while one was not implemented at all.

30.	MaRCCI World bank Project. <u>Opinion</u> Unqualified	• I noted that the project planned to receive US $1,269,440 out of which US $223,895.39 was received, resulting in a shortfall of US $1,045,544.61 which represents 82.36% of the approved budget. • I assessed the implementation of eight (8) outputs that had been fully quantified with a total of forty-one (41) activities worth US $1,269,440 and noted that; One (1) output with two (2) activities and expenditure worth US$ 5,400 were fully implemented, four (4) outputs with thirty one (31) activities worth US $219,803 were partially/ non-implemented, three (3) outputs with Eight (8) activities worth US $81,280 were not implemented at all.
31.	Management Training and Advisory Centre (MTAC). <u>Opinion</u> Unqualified	• Out of the budgeted NTR of UGX.2.19Bn for the financial year 2021/2022, a sum of UGX.2.11Bn was collected representing performance of 96.3% of the target. This resulted into a short fall in revenue collection of UGX. 79,995,000. • Out of UGX. 7,795,757,000 the Centre had budgeted to receive from the Government, only UGX. 7,767,641,000 was warranted resulting in a shortfall of UGX. 28,116,000. The shortfall represents 0.5% of the approved budget. • Out of the total receipts for the financial year of UGX.9.88Bn, a sum of UGX.9.53Bn was spent by the Centre resulting into unspent balance of UGX.0.35Bn representing an absorption level of 96.4%. • I assessed the implementation of a sample of five (5) outputs that had been fully quantified with a total of nineteen (19) activities worth UGX. 5,460,767,000 and noted that three (3) outputs with fourteen (14) activities with expenditure worth UGX. 4,355,739,000 were fully implemented. Two (2) outputs with five (5) activities worth UGX. 1,105,028,000 were partially implemented. Out of the five (5) activities, the entity fully implemented one (1) activity; four (4) activities were partially implemented. • I noted that the entity had outstanding commitments to a tune of UGX. 1,121,289,592 as at 30th June 2022. • I noted that the Centre had receivables amounting to UGX. 690,189,868 this financial year compared to UGX.703, 515,408 brought forward from the previous financial year. Included in the receivables are students' debtors worth 547,570,961 which relate to prior years. • I noted that 2 pieces of land measuring approximately 3.844 hectares costing UGX. 30,498,500,000 were recorded in the entity's land register while 2 pieces of land measuring approximately 1.644 were not recorded in the Centre's asset register. • I noted that the Centre had staff who have served in acting positions for over 5 years. • I noted that out of 73 approved positions in the Centre's structure only 48 were filled leaving 25(34.2%) positions vacant. • I noted that the Centre provides support to its outreach centres in form of among others provision of computers to enable delivery of teaching. It was established that all centres have inadequate computers to facilitate learning. • Verification of the number of enrolled students for the year under review indicated that management was only able to attract 711 students in the different diploma programmes leading to under enrolment of 1,209.

		• Review of the required wage bill to pay the staff currently employed by the Centre amounts to UGX.858,920,011 but only UGX. 100,000,000 (11%) was allocated by Government, leading to funding gap of UGX.758,920,011. •
32.	Makerere University. 2021/22 <u>Opinion</u> Unqualified	• University budgeted to receive UGX.389.433Bn, but only UGX.347.889Bn was warranted, resulting in a shortfall of UGX.41.543Bn. The shortfall represents 10.67% of the approved budget. • I noted that out of the budgeted NTR of UGX.132.332Bn, only UGX.68.083Bn was realized, representing a performance of 51.4 % of the target. • Out of the total warrants of UGX.347.889Bn received during the financial year, UGX344.465Bn was spent resulting into an unspent balance of UGX3.424B,n representing an absorption level of 98%. • Out of a sample of fourteen (14) outputs with a total of thirty five (35) activities worth UGX 341.13Bn assessed, I noted that Two (2) outputs with two (2) activities and expenditure worth UGX.1.298Bn were fully implemented; and Twelve (12) outputs with thirty-five (35) activities worth UGX.339.833Bn were partially implemented. • I noted long outstanding payables of UGX.959,975,856 due from rental income attributed toUniversity tenants. • I noted through land inspection, document review and inquiries from management that four (4) pieces of land measuring 103.05 hectares (6.3%) out of the 1,645.04 hectares of land owned by Makerere University had encumbrances in the form of caveats, court injunctions and encroachment. While three (3) pieces of land measuring approximately 309.2 hectares (9.34%) out of the 32 pieces held did not have land titles. • The entity did not transfer all the twenty-nine (29) land titles measuring approximately 1,335.84 hectares held, into the name and custody of the Uganda Land Commission. • Whereas the University leased three (3) pieces of land during the period under review, these pieces of land were not traceable to the lease register. • One (1) lease for land measuring 3.98 hectares had expired at the time of carrying out the audit. Besides, the entity did not receive any lease rentals from the leased properties. • A review of the IT systems of the University revealed a number of irregularities such as; procurement of equipment worth UGX.41,826,600 and tenure decommission 1,417 IT equipment despite recommendation of the board of survey report.
33.	NORHED Consolidated Project for the Year Ended 31st Dec, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• Whereas Section 1.2 of the Partnership Agreement stated that the Programme Projects would commence on 1st January 2021, I noted that funds disbursements were received late towards the year end for all the Projects under NORHED II Programme. The delays ranged from 4- 11 months, depending on the completion of implementing agreements of the various projects. Late disbursement of funds may have affected the implementation of planned project activities.

		• I noted, out of the NOK 7,753,259 (USD.846,508) budgeted under the Programme, only NOK 5,890,963 (USD.679,048) was received, which is 76% performance. This led to a budget shortfall of NOK 1,862,296 (USD.167,049). • I further noted that out of the released funds to the Programme totaling to NOK 5,890,963 (USD.679,048), only NOK 3,146,879 (USD.362,801) was utilized by the Programme projects, indicating a programme funds absorption rate of only 53.4%.
34.	ROM Project for the Year Ended 31st December, 2021 Implemented by Makerere University Opinion Unqualified	• Whereas Section 1.2 of the Partnership Agreement stated that the project would commence on 1st January 2021, the project funds were released on 17th November, 2021, thus occasioning a delay of 10 months in the implementation of project activities in the year. Late disbursement of funds may have affected the implementation of planned project activities.
35.	TELLS Project for the Year Ended 31st December, 2021 Implemented by Makerere University <u>Opinion</u> Unqualified	• Whereas Section 1.2 of the Partnership Agreement stated that the project would commence on 1st January 2021, the project funds were released on 30th November, 2021, thus occasioning a delay of 11 months in the implementation of project activities in the year. Late disbursement of funds may have affected the implementation of planned project activities.
36.	Muni University. <u>Opinion</u> Unqualified	• Out of the total warrants of UGX 26.639Bn received during the financial year, the University spent UGX 26.145Bn resulting in un-utilised warrants of UGX 0.494Bn representing an absorption level of 98.15%. • I noted that of the 17 quantified activities worth UGX 3.878Bn assessed; 7 activities representing 41.2% were fully implemented, whereas 10 activities representing 58.8% were partially implemented. • I noted that of the six (6) pieces of land measuring approximately 1,334.85 hectares held by the University were not recorded in the GFMIS fixed asset module, four (4) pieces of titled land measuring approximately 1,155.65 hectares were not recorded in the land/assets register; One (1) piece of land at Bidibidi measuring approximately 177.891 hectares had encumbrances in the form of the utilization of the entire piece of land to resettle refugees by OPM; 2 pieces of land measuring approximately 179.202 hectares (13%) did not have land titles and the University failed to transfer all the four (4) titles of land measuring approximately 1,155.65 hectares held, into the name and custody of the Uganda Land Commission. • The statement of financial position and note 19 of the financial statements disclosed UGX 2,850,053,751 as receivables included in the balance under note 19(a) are accrued revenue of UGX 338,023,245. • I noted that a total of two (2) IT systems developed were not cleared by NITA-U

		• The Big Blue button and E-books systems developed systems are not owned by the entity, as a result, it increases the exposure of the entity to vendor manipulation. • I noted that there were no specific structures that steer and oversee ICT implementation. • Out of the 11 total approved established positions in the structure for the ICT Directorate/Department/Unit staff, only 8 staff representing (73%) were filled leaving 3 staff (27%) positions vacant. • There was no approved IT risk management framework/policy at the entity, and risk register.
37.	Mbarara University of Science and Technology <u>Opinion</u> Unqualified	• A review of Statement of the financial Position and note 19(a) revealed that receivables worth UGX. 958,118,173 remained outstanding. • Out of the budgeted NTR of UGX.12.477Bn, only UGX.10.844Bn was collected, representing a performance of 87% of the target. • Out to the approved budget, UGX. 59.171Bn out of which UGX.54.671Bn was warranted, resulting in a shortfall of UGX4.53Bn. The shortfall represented 7.6% of the revised approved budget. • Out of the total warrants of UGX.54.671Bn received during the financial year, the entity submitted invoices totalling UGX.53.870Bn resulting in un-utilized warrants of UGX.0.802Bn representing an absorption level of 99%. • I assessed the implementation of a sample of twenty-five (25) outputs that had been fully quantified with a total of eighty-three (83) activities worth UGX.41.861Bn and noted that; Ten (10) outputs with twenty (20) activities and expenditure worth UGX.1.629Bn were fully implemented while thirteen (13) outputs with fifty-nine (59) activities worth UGX.40.073Bn were partially implemented. • Out of the fifty-nine (59) activities, the entity fully implemented twenty (20) activities; eighteen (18) activities were partially implemented, while twenty-one (21) activities remained unimplemented. • Procurements totalling to UGX.311,643,492 sourced using Micro procurement were split to fit within the set threshold of UGX.5,000,000. • I noted that the University entered into a contract worth UGX. 8,397,814,309 with a contractor to construct Phase 2, of faculty of Computer Formatics, for a period of 18 months. However, the funds to pay for the multi- year project were not released. • A total of 3 IT systems/equipment procured at UGX.122,410,500 were not cleared by NITA-U, while systems costing UGX.122,410,500 did not have clearance from MoFPED.
38.	National Council of Sports. <u>Opinion</u> Unqualified	• Out of the total available funds during the financial year of UGX.18.368Bn, only UGX.18.043Bn was spent by the entity resulting in an unspent balance of UGX.0.325Bn representing an absorption level of 98.2%. • I noted that the entity budgeted to collect NTR of UGX.0.781Bn during the year under review, out of only UGX.0.670Bn was realized, representing a performance of 86% of the target.

		• I noted that out of the 4 quantified activities worth UGX.15.1Bn assessed; 3 activities representing 75% were fully implemented, while 1 activity representing 25% was not implemented. • I noted that transfers to Uganda netball federation and Uganda Boxing federation worth UGX.270,040,950 were not fully accounted for. • I noted a shortage of sports academies and technical capacity in terms of personnel with internationally accredited skills to promote sports in the country. • I noted that the entity did not transfer land in to the custody of Uganda Land Commission • I noted that the staff of the entity had not been enrolled on the IPPS system and were paid through IFMS without IPPS numbers. • A total of 3 IT systems/equipment acquired at UGX.43,049,727 were not cleared by NITA-U. • Review of the ICT governance structure of the entity revealed that; there were no specific structures that steer and oversee ICT implementation; the entity did not have an approved IT staff structure in place despite ICT prioritization in NDP III; there was no approved IT risk management framework/policy at the entity; there was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014.
39.	Uganda Management Institute (UMI). Opinion Unqualified	• I noted that the Institute did not budget to collect NTR during the year under review however, UGX 12.02Bn was collected. • Out of the approved budget, of UGX 38.03Bn, a sum of UGX 32.05Bn was warranted, resulting in a shortfall of UGX 5.98Bn. The shortfall represents 15.72% of the approved budget. • Out of the total warrants of UGX 43.57Bn received during the financial year UGX 31.55Bn was spent by the institute resulting in an unspent balance of UGX 12.020Bn representing an absorption level of 72%. • Out of a sample of seven (7) outputs assessed with a total of twenty five (25) activities worth UGX2.31Bn four (4) outputs with twenty two (22) activities worth UGX 1.48Bn were partially implemented and three (3) outputs with three (3) activities with a budget of UGX 0.83Bn were not implemented at all. • Out if 276 positions in the establishment 200 posts were filled leaving 76 positions vacant representing a staffing gap of 28%. • All the 05 pieces of land measuring approximately 6.725 hectares held, by Institute were not transferred into the name of the Uganda Land Commission as required by the law.
40.	Uganda National Examinations Board (UNEB). Opinion Unqualified	• The entity had an approved budget of UGX 146,445,366,444 which was entirely warranted. • I noted that the entity did not budget for NTR collection despite a communication from the PS/ST which projected the entity's NTR at UGX.56.89Bn.

		• The Uganda Land Commission was not notified about the acquisition of one piece of land measuring 0.4 hectares costing UGX.750,000,000 to enable recording and updating of the GOU land register. • I noted that all the 6 pieces of land measuring approximately 2.12 hectares held by the entity at the reporting date had not been transferred into the custody of ULC. • I noted that one piece of land measuring approximately 0.4 hectares (100%) had not yet been used in accordance with the approved purpose set out in the strategic plan. • There was no IT risk management framework/policy at UNEB by the time of the audit.
41.	Uganda Business and Technical Examinations Board (UBTEB) <u>Opinion</u> Unqualified	• I noted that the entity budgeted to collect NTR of UGX.7.7Bn during the year under review. Out of this, only UGX.2.3Bn was realised, representing a performance of 30% of the target. • I noted that out of the total available funds of UGX. 35.2Bn during the financial year, UGX. 32.65Bn was spent resulting in an unspent balance of UGX. 2.55Bn representing absorption level of 92.8%. • I noted that four (4) outputs with seven (7) activities and expenditures worth UGX.16.3Bn were fully implemented three (3) outputs with nine (9) activities worth UGX.16.4Bn were partially implemented. • I noted that the Board did not have a land title for its 1 piece of land measuring approximately 0.404 hectares (100%) • I noted that UBTEB had only made payments amounting to UGX. 3,792,402,179 against the required amount of UGX. 5,126,257,884 toward advance payments for the construction of the proposed UBTEB assessment Centre hence an underpayment of UGX.1,333,855,405. I further noted that at the time of the audit in October 2022, the Board had not made any payments toward the four Interim payment certificates raised by the contractor totaling UGX. 2,980,505,141 • I noted that there was no Business and Technical Vocational Qualifications Framework in place rendering it difficult for the Board to effectively execute its mandate. • I noted that though the Board had 205 approved staff positions, only 97 had been filled leaving a staffing gap of 108 (52%). • I noted that Uganda Hotel Training and Tourism Institute, Bukalasa Agricultural College, and Nyabyeya Forestry College do offer diploma programmes but assess their students contrary to the provision of the law.
42.	Makerere Institute of Social Research-Norhed Project "Building and Reflecting on Interdisciplinary Phd-Studies for Higher Education Transformation" Grant Number: Uga-13/0023 For the Period 1st January 2021 to 31st August, 2021	• There were no material and reportable issues

	<u>Opinion</u> Unqualified	
43.	MISR NORHED Project II "Building and Reflecting On Interdisciplinary PHD-Studies for Higher Education Transformation" Grant Number: UGA-13/0023 for the Period 1st September, 2021 to 31st December, 2021 <u>Opinion</u> Unqualified	• There are no reportable issues.
44.	Uganda Petroleum Institute Kigumba <u>Opinion</u> Unqualified	• I noted that out of the budgeted NTR of UGX.0.647Bn for the year 2021/2022, UGX.0.641Bn was collected, representing a performance of 99% of the target. Similarly, the Institute budgeted to receive UGX.8.5Bn from GOU of which only UGX.4.75Bn was warranted, resulting in a shortfall of UGX. 3.75Bn representing 45% of the budget. • I noted that out of the total releases of UGX. 5.389Bn received during the financial year, UGX. 4.761Bn was spent by the entity resulting in an unspent balance of UGX. 0.628Bn representing an absorption level of 88.3% • I noted from a sample of (16) Outputs that had been fully quantified with a total of one hundred forty-six (146) activities worth UGX. 4.096Bn that; • Six (6) outputs with fifty-seven (57) activities and expenditure worth UGX. 1.409Bn were fully implemented, three (3) outputs with eleven (11) activities worth UGX. 2.244Bn were partially implemented, Seven (7) outputs with seventy (78) activities worth UGX. 0.443Bn were not implemented at all. • I noted that out of the 103 approved staff for the Institute; only 81 positions were filled leaving 22 (21.4%) positions vacant. Of the 81 staff, 40 staff were on Government payroll (permanent), 1 staff on probation while 41 are on governing council contract • I noted that contract staff salary for the month of June 2022 worth UGX. 47,877,500 had not been paid. Further enquiries indicated that contract staff had not been paid for the last four (4) months.
45.	Education Service Commission <u>Opinion</u> Unqualified	• The Commission had a revised budget, totalling UGX.21.28Bn, out of which UGX.18.03 was warranted, resulting into a shortfall of UGX.3.25Bn. The shortfall represents 15.3% of the approved budget. • The Commission received UGX.18.03Bn during the financial year, however UGX.17.6Bn was spent resulting in an unspent balance of UGX.0.42 representing an absorption level of 98%

		• From the sampled of Six (6) outputs that had been fully quantified with a total of twenty-four (24) activities worth UGX.15.92Bn, I noted that; Five (5) outputs with twenty-one (21) activities and expenditure worth UGX.11.94 were fully implemented. One (1) output with three (3) activities worth UGX.3.98 were partially implemented. Out of the three (3) activities, the entity fully implemented two (2) activities; one (1) activity was partially implemented. • I noted that Commission was allocated land measuring approximately 0.405 hectares by the Ministry of Education and Sports of which the Commission had not acquired a land title. • The commission budgeted to receive UGX.1,022,060,300 for the last 3 financial years, for implementation of IT systems and acquisition of IT Equipment, however, only UGX.321,530,300 was warranted, resulting into a shortfall of UGX.700,530,000 which is 68.5% of the budget.
46.	Mandela National Stadium Limited <u>Opinion</u> Unqualified	• Although the entity budgeted to receive UGX.98.36Bn, only UGX.82.88Bn was collected, resulting into a shortfall of UGX.15.48Bn which is 15.7% of the budget. • Out of the two (2) outputs with a total of thirty three (33) activities and total expenditure of UGX.34.3Bn sampled for assessment, I noted that One (1) output with six (6) activities and expenditure worth UGX.2.2Bn was fully implemented while one (1) output with twenty-seven (27) activities worth UGX.32.1Bn was partially implemented. • I noted that out of the 3 pieces of land measuring approximately 50.199 hectares, land measuring approximately 25.199 hectares had encumbrances in the form of court injunctions and encroachment. • A review of the financial statements revealed that Mandela National Stadium Limited had receivables of UGX. 30,839,304,013 at the close of the financial year, an increase of 1,051.8% from receivables of UGX.2,677,452,246 of the previous financial year 2020/2021. • There was neither approved IT risk management framework/policy nor risk register at the entity. Furthermore, there was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014. • I noted that whereas the Uganda Land Commission leased 2 piece of land measuring 2.433 hectares during the period under review, these pieces of land were not traceable to MNSL lease register.
47.	Kyambogo University 2021/22 <u>Opinion</u> Unqualified	• According to the approved budget, the entity was supposed to receive UGX.139.89Bn, out of which UGX.129.13Bn was warranted, resulting in a shortfall of UGX10.76Bn. The shortfall represents 7.7% of the approved budget. • I noted that the entity budgeted to collect NTR of UGX.77.14Bn during the year under review, out of which only UGX.74.68Bn was realized, representing a performance of 97% of the target. • Out of the total warrants of UGX.129.13Bn received during the financial year, the entity submitted invoiced totaling UGX.128.75Bn resulting in un-utilized warrants of UGX.0.38Bn representing an absorption level of 99.71%. • I assessed the implementation of a sample of sixteen (16) outputs that had been fully quantified with a total of eighty three (84) activities worth UGX. 119.91Bn and noted that; Two (2) outputs with six (6) activities and expenditure worth UGX.1.01Bn were fully implemented; Twelve (12) outputs with seventy six (76) activities worth UGX.118.61Bn were partially implemented.

		• A review of the University expenditure vouchers revealed that payments relating to the previous year totaling to UGX.2,663,779,707 were neither disclosed/ verified as part of the arrears in the previous financial year nor budgeted for, but was paid in the current financial year. • I noted that whereas the Ministry of Public Service issued a salary structure for all Public Universities for uniformity of payment of salaries of public universities, Kyambogo University paid top-up on the approved salaries from allowances' allocation to a tune of UGX.8,934,707,841. • A comparison of 5% NSSF deducted from the salaries of employees for the month of December, January, February and March with the total amount of 5% NSSF remitted for the same months, revealed a discrepancy of UGX.116,071,516 unremitted amount to NSSF. • The entity had 38 positions in ICT staff establishment of which only 7 (18%) positions were filled
48.	The National Council for Higher Education 2021/22 <u>Opinion</u> Unqualified	• I noted that the entity budgeted to collect NTR of UGX.4.780Bn during the year under review out of which, only UGX.3.425Bn was collected, resulting to a short fall in revenue collection of UGX.1.355Bn, representing a performance of 74% of the target. • The entity was supposed to receive UGX.13.83Bn out of which UGX.12.472Bn was warranted, resulting in a shortfall of UGX.1.358Bn, representing 9.83% of the approved budget. • Out of the total warrants of UGX.12.472Bn received during the financial year, the entity submitted invoices totalling UGX.11.18Bn resulting into un-utilised warrants of UGX.1.3Bn representing an absorption level of 90%. • I assessed the implementation of five (5) outputs that had been fully quantified with a total of one hundred fifteen (15) activities worth UGX.11.2Bn and noted that; Two (2) outputs with three (3) activities and expenditures worth UGX.1Bn were fully implemented. Three (3) outputs with twelve (12) activities worth UGX.10.2Bn were partially implemented. Out of the twelve (12) activities, the entity fully implemented three (3) activities while nine (9) activities were partially implemented, and none of the activities remained unimplemented. • I noted that out of the approved staff establishment of 125 staff, NCHE has only 53 staff, resulting to a staffing gap of 72 staff (58%). I further noted that the Council had a wage requirement of UGX. 12,821,702,568 but only received UGX. 7,064,285,393 resulting into a shortfall of UGX. 5,757,417,175. • I noted that only 487 programs were accredited out of 600 planned for the year, leaving 113 programs not accredited. • I noted that 30 universities' provisional licenses were not assessed for progression to charter status, after 3 years of holding provisional licenses. • I further noted that licenses of 76 Tertiary Institutions were not assessed for progression of certificate of classification and registration.

		• I also noted that four (4) Universities whose licences were revoked continue to operate contrary to the regulations.
49.	National Curriculum Development Centre 2021/22 <u>Opinion</u> Unqualified	• I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2021/2022 and noted that the entity did not budget for NTR in the year under review; however, UGX.0.095Bn was collected. • According to the approved budget, the entity was supposed to receive UGX.42.16Bn out of which UGX. 40.72Bn was warranted, resulting in a shortfall of UGX1.38Bn which is 3.3% of the approved budget. • Out of the total warrants of UGX.40.72Bn received during the financial year, the entity submitted invoices totaling UGX. 39.027Bn resulting in an un-utilized warrant of UGX.1.7Bn representing an absorption level of 95.8%. • I assessed the implementation of a sample of eleven (11) outputs that had been fully quantified with a total of seventy-two (72) activities worth UGX.39.03Bn and noted that; Two (2) outputs with eleven (11) activities and expenditure worth UGX.0.49Bn were fully implemented. Nine (9) outputs with sixty-one (61) activities worth UGX.38.54Bn were partially implemented. • I noted that the Centre had receivables totaling to UGX.392,497,559 as at 30th June 2022 though there were no demand notes or reminders issued in the current year in regard to these arrears of revenue or any other serious action to ensure recovery. • I noted that whereas the Centre had outstanding domestic arrears of UGX.3.7 Bn as at the end of the FY 2020/2021, did not budget for domestic arrears 1,820,651,696 was spent to settle the arrears.

50.	Pharm-Biotechnology and Traditional Medicine (Pharmbiotrac) Centre Ace Ii Project
	
	<u>Opinion</u>
	Unqualified
		• A review of the Funds disbursement schedules revealed that a sum of USD. 290,728 (60.3%) was received in the year under review out of the expected amount of USD. 1,719,039 resulting into a shortfall of USD. 1,428,311. This represents a performance of only 17% of the target.
		• The Project received USD. 290,728 during the financial year, and it also had balances brought forward of USD. 1,003,605, thus making a total of USD. 1,294,333 available for spending in the year. Out pf the available funds, a sum of USD. 1,073,844 was spent, leading to a funds absorption rate 83%.
		• I assessed the implementation of one (1) output that had been fully quantified with a total of six (6) activities worth USD. 52,351 and noted that;
		  o In this One (1) output, only two (2) activities were fully implemented.
		  o In this output no activity was partially implemented.
		  o In this output, four (4) activities were not implemented at all.
		• I noted that funds to the tune of USD. 5,396.68 were irregularly diverted from the activities on which they were budgeted and spent on other activities (in form of excess expenditure) without seeking and obtaining the necessary approvals.

51.	Opec Fund for International Development (OFID)-Vocational Education Project Phase 11 <u>Opinion</u> Unqualified	• I noted that the project was supposed to receive UGX.22.1Bn but only received a total of UGX UGX.3.1 Bn • I noted that out of the total of UGX.18.87Bn availed for financing the Project for the year under review only UGX.2.9Bn (15%) had been absorbed. • I noted that the Project was planned to be concluded by December 2021 but extended to 2024 due to slow progress of implementation. I noted that except for supply of institute buses which accounts for 22 % of Component 2 and supply of equipment and tools which constitutes 16% of the total project budget, the procurement of the remaining training supplies i.e. Furniture, tractors and off-shelf Workshop & ICT equipment and text books had not taken off by the time of concluding the audit. • I noted that while key among the outputs of the consultancy services is the development of Training Plan for the selected 8 Technical Institutions, the competence based curriculum was not yet in place
52.	Uganda Skills Development Project (USDP)- PSFU <u>Opinion</u> Unqualified	• I noted that the Project effective date was 28th October 2016 and the closure date scheduled for end December 2022. During the period the project had cumulatively received total of USD.22.6million for the entire project period representing a 100% budget performance. • Out of the cumulative amount received over the years, a sum of USD.22.3 million had been accounted for by the end of the financial year leaving a balance of USD. 269,151.09 outstanding. • I noted that out of the total available funds of UGX.10.28Bn during the financial year, UGX.10.06Bn was spent resulting in an unspent balance of UGX.0.22Bn representing an absorption level of 98%.
53.	Uganda Skills Development Project (USDP) -MOES <u>Opinion</u> Unqualified	• Out of the total available funds of UGX. 149.2Bn during the financial year, a sum of UGX. 61.3Bn was spent by the Project, resulting in an unspent balance of UGX. 87.8Bn representing an absorption level of 41%. • I assessed the implementation of a sample of (3) outputs that had been fully quantified with a total of nine (9) activities worth UGX.47.2Bn and noted that; One (1) output with one (1) activity and expenditure worth UGX.31.4Bn was fully implemented. One (1) output with seven (7) activities worth UGX.7.6Bn was partially implemented while one (1) output with one (1) activity worth 6.4Bn was not implemented at all. • I noted that the Project had 20 ongoing construction works worth UGX. 114Bn at various Technical Colleges and Vocational Training Institutes (VTIs) which were still incomplete by the close of the financial year. • A review of the procurement files and contract management reports revealed that the suppliers had not fully installed, tested and trained users on equipment supplied to the project.

54.	Makerere University Business School (MUBS) <u>Opinion</u> Unqualified	• The university was supposed to receive UGX 104,621,213,940 (including a supplementary funding of UGX 3.9Bn) out of which UGX 92,165,930,845 was warranted, resulting in a shortfall of UGX 12,455,283,095. The shortfall represents 11.9% of the approved budget. • Out of the total receipts for the financial year of UGX 92,165,930,845, only UGX 92,164,632,939 was spent by the school resulting in an unspent balance of UGX 1,297,906 representing an absorption level of 99.99%. • I noted that of the 47 quantified activities worth UGX.10.47Bn assessed; 07 activities representing 14.89% were fully implemented, 20 activities representing 42.55% were partially implemented, while 20 activity representing 42.55% was not implemented. • I noted through land inspection, document review and inquiries from management that one (1) piece of land measuring 0.906 hectares located on Plot 1, Kireka Hill view road had encumbrances in the form of encroachment. • I also noted that MUBS had un cleared invoices for the financial year 2021/22 of UGX 6,503,448,034 which were not within its appropriated budget estimate limits (subject to the accounting warrants issued) and on the GFMIS. • MUBS advanced UGX 203,180,200 to its staff through their personal bank accounts to undertake various procurements and civil works other than paying funds directly to suppliers. • Payments totalling to UGX 143,879,238 were made for photocopying services. In a bid to confirm the genuineness of the expenditure, I requested for evidence of work done but all in vain. • Only 1,274 positions out of the approved establishment of 2,551 posts were filled leaving 1,292 positions vacant representing a staffing gap of 51%. • Out of the 5 pieces of land measuring approximately 22.618 hectares held, 2 pieces of land measuring approximately 0.906 hectares (4%) were not utilized by the school while one (1) piece of land measuring 0.906 hectares located on Plot 1, Kireka Hill view road had encumbrances in the form of encroachment by the local population. I also noted that MUBS did not transfer four (4) titles of land measuring approximately 18.879 hectares, into the name and custody of the Uganda Land Commission. • A total of six (6) IT systems procured of UGX 1,349,567,207 were not cleared by NITA-U while one (1) IT system with a total cost of UGX 40,000,000 acquired were not being optimally utilized. I also noted that two (2) IT projects with a total cost of UGX 224,768,402 were not implemented within the required timelines as specified in the inception reports/contracts and 826 IT equipment recommended for decommissioning by Board of Survey report were not disposed. • The University lacked specific structures to steer and oversee ICT implementation as well as no approved IT risk management framework/policy and risk register. Relatedly, there was no business continuity plan, contrary to Section 4.6 of the National Information Security Policy 2014.

55.	The Norwegian Programme for Capacity Development in Higher Education And Research For Development (Norhed) 2020 <u>Opinion</u> Unqualified	• Whereas Section 1.2 of the Partnership Agreement stated that the Programme Projects would commence on 1st January 2021, I noted that funds disbursements were received late towards the year end for all the Projects under NORHED II Programme. The delays ranged from 4- 11 months, depending on the completion of implementing agreements of the various projects. Late disbursement of funds may have affected the implementation of planned project activities. • I noted, out of the NOK 7,753,259 (USD.846,508) budgeted under the Programme, only NOK 5,890,963 (USD.679,048) was received, which is 76% performance. This led to a budget shortfall of NOK 1,862,296 (USD.167,049). • I further noted that out of the released funds to the Programme totaling to NOK 5,890,963 (USD.679,048), only NOK 3,146,879 (USD.362,801) was utilized by the Programme projects, indicating a programme funds absorption rate of only 53.4%.
	GENDER AND SOCIAL DEVELOPMENT SECTOR	
1.	UNFPA Funded Programme UGA09GBV/PGUG12 Sep 2021 Implemented by MGLSD <u>Opinion</u> Unqualified	• I noted that expenditure amounting to UGX.1,074,783 was not supported contrary to the requirements of the Treasury Instructions. • I noted that the Ministry recruited GBV support officers as volunteers who earned a basic allowance, however, their contracts indicated that they earned a monthly salary of UGX.500,000, which is above the PAYE threshold and qualifies for PAYE deductions as per the income Tax Act.
2.	UNFPA funded programme Ref; GPECMUGA and UGA09GBV Dec, 2021 Implemented by Ministry of Justice and Constitutional Affairs (MOJCA)- <u>Opinion</u> Unqualified	• No reportable issues
3.	Equal Opportunities Commission (EOC). <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX. 13.271Bn, only UGX. 12.648Bn was spent by the entity resulting in an unspent balance of UGX.0.623Bn representing an absorption level of 95%. • I noted that of the 100 quantified activities worth UGX.12.59Bn assessed; 90 activities representing 90% were fully implemented, 5 activities representing 5% were partially implemented, while 5 activities representing 5% were not implemented. I also noted absence of a detailed risk register of risks and funds to the tune of UGX. 0.126Bn were irregularly diverted.

		• One piece of land accommodating EOC headquarters with a leasehold for 89 years measuring 0.180Ha, lacked a title as it was reported lost. In addition it was not recorded in the fixed asset register and on the GFMIS fixed asset module. • There are long outstanding receivables of UGX.247.98M which relate to outstanding salary advances to staff. • I noted that there is fusion of the Board and Management where members of the Commission were involved in the day to day activities of the Commission. • One IT systems/equipment procured at UGX 225Mn was not cleared by NITA-U, there were no specific structures to steer and oversee ICT implementation, and no approved IT staff structure in place or approved IT risk management framework/policy and risk register.
4.	Ministry of Gender, Labour and Social Development (MoGLSD) <u>Opinion</u> Unqualified	• Out of the approved budget of UGX.282.50Bn a sum of UGX. 271.46 was warranted, resulting in a shortfall of UGX.11.042Bn. The shortfall represents 3.9% of the approved budget. • Out of the total receipts for the year of UGX.271.46Bn a sum of UGX.271.46Bn was spent by the entity representing an absorption level of 100 %. • I noted that of the 110 quantified activities worth UGX.219.9Bn assessed; 62 activities representing 56% were fully implemented, 10 activities representing 9% were partially implemented, while 38 activities representing 35% were not implemented. • Out of UGX.9.39Bn budgeted NTR, UGX.13.83Bn was collected, representing a performance of 147% of the target. • I noted that 10 pieces of titled land measuring 73.8367 hectares were not recorded in the land register and GFMIS fixed asset module, 3 pieces measuring approximately 2.33 hectares had encumbrances while 27 pieces measuring 139.2042 hectares (73%) were not titled. • I noted that UGX.9.2Bn remained recovered under Uganda women Empowered Program (UWEP) and recoveries worth UGX.8.5Bn were not transferred to Bank of Uganda. In addition, UGX.2.95Bn on Uganda women Empowered Program - UWEP National Recovery Account was un-tagged to any District. • A sum of UGX.0.814 on Youth Livelihood Program-YLP National Recovery Account remained un-tagged to any District, and UGX.39.010Bn remained un-recovered from the youth groups. • I noted that the Ministry lacks effective measures to Curb the increasing number of Street Children. Out of UGX.0.142Bn planned for implementation of street children activities, only UGX.0.044Bn (69%) was warranted, resulting into a shortfall of UGX 0.098 Bn (31%). • I noted that one IT systems procured at UGX.53M was not cleared by NITA-U and two IT systems with a total cost of UGX.50Mn were not being optimally utilized while three (3) projects with a total cost of UGX.1.013Bn were not implemented within the specified timelines.

		• I noted that of thirty-seven (37) pieces of land measuring approximately 217.4869 Hectares, 10 pieces measuring approximately 78.2827 Hectares titles were not transferred to the Uganda Land Commission.
5.	National Council for People with Disabilities <u>Opinion</u> Unqualified	• The NCPD had a budget of UGX.1.2bn out of which only 0.838bn was received representing 69% and a budget shortfall of 31%. The shortfall hampered the implementation of planned activities such as the monitoring of human rights violations against persons with Disabilities and the development of a monitoring and Evaluation Framework for National Council for Persons with Disabilities. • I noted that the NCPD has 5 pieces of land across the country transferred from the Uganda Foundation for the Blind but only, 1 piece in Kireka is titled but not fully secured as it is heavily encroached. 1 Piece of land in Lira District is surveyed but not titled while the rest are neither surveyed not titled. • Outstanding payables increased by UGX. 163,200,000 (30%), from UGX. 539,360,000 as at 30th June 2021 to UGX. 702,560,000 as at 30th June 2022.This was majorly in respect of cumulative unpaid staff gratuity for five (5) consecutive financial years
6.	National Council for Older Persons (NCOP) <u>Opinion</u> Unqualified	• Out of the total receipts of UGX.0.726Bn for the financial year, only UGX. 0.724Bn was spent by the entity resulting in an unspent balance of UGX.1.855Mn representing an absorption level of 99.7%. • I noted that four (4) outputs with twelve (12) activities and expenditure of UGX. 0.724Bn sampled for assessment were not quantified. • I noted that NCOP did not prepare and submit the annual monitoring plans to the Ministry of Gender for consolidation and onward submission to MoFPED and NPA Similarly NCOP did not prepare and submit quarterly monitoring reports to the Ministry of Gender for onward submission to the Office of the Prime Minister and MoFPED as required. • I noted that NCOP spent UGX.6.031Mn on vehicle repairs and maintenance without pre and post vehicle inspection/assessment by the Government Chief Mechanical Engineer.
7.	Uganda National Cultural Centre <u>Opinion</u> Unqualified	• The entity had an approved budget of UGX 12.765,000,000, out of which UGX. 9,724,000,000 was availed, resulting in a shortfall of UGX 3,041,000,000 which is 24% of the budget. Out of the total receipts for the financial year of UGX.13.036Bn, UGX.13.050Bn was spent resulting into an excess expenditure of UGX.0.014Bn representing an absorption level of 103%. • I noted that 4 activities worth UGX. 13.039Bn were fully implemented representing 100% performance. • I noted that 2 pieces of land measuring approximately 4.446 hectares owned by UNCC, were not transferred into the custody of the Uganda Land Commission as required. I also noted that one (1) piece of land at Nommo Gallery, was being used contrary to the approved purpose in the entity Strategic Plan.

		• I noted non-recognition of arrears of revenue from M/S Creation Limited amounting to UGX 1,600,000,000 as reported in the financial statements. Additionally, management had long stopped billing M/S Creation Limited on account of lack of interest from the client/tenant to pay since 2017, despite continued occupying the premises. • I noted that the board term of office had expired in May 2022 thus the Centre is operating without oversight roles and duties of the board being performed. • I noted staffing gap of 21 (30%) vacancies as only 48 positions (70%) out of the approved establishment of 69 posts were filled. • I noted that UNCC did not conduct Non Tax Revenue assessment and failed to enforce Tenancy Agreement terms and its Board of trustees had expired.
8.	The National Children Authority (NCA) Opinion Unqualified	• The Authority had an approved budget of UGX.0.909Bn out of which UGX.0.905Bn was released, resulting in a shortfall of UGX.0.004Bn. The shortfall represents 0.4% of the approved budget. Out of the total receipts for the financial year of UGX.0.905Bn, only UGX.0.904Bn was spent resulting in an unspent balance of UGX.0.00028Bn representing an absorption level of 99.9%. • I noted that out of the six (6) outputs quantified and assessed worth UGX.0.905Bn; two (2) outputs with two (2) activities were fully implemented, four (4) outputs with thirteen (13) activities worth UGX.0.378Bn were partially implemented, while five (5) activities remained unimplemented. The entity did not maintain a detailed risk register to mitigate implementation risks or to minimise their impact. • The entity did not have a Governing Board and Committees Contrary to section 9 (c) (1) and 9 (J) (1) of the Children's Amendment Act (2016) which could affect the entity's ability to achieve the set objectives and mandate. • The entity did not have an approved staff structure clearly showing the departments and requisite staffing levels (staff establishment) and currently operates with only 10 employees.
9.	National Library of Uganda Opinion Unqualified	• The entity had an approved budget of UGX. 1,068,432,118, out of which UGX. 941,329,988 was received, leading to a shortfall of UGX 127,102,130, which was 12 % of the budget The entity budgeted to receive UGX.0.1Bn from development partners, out of which UGX.0.185Bn was availed, resulting in an over performance of UGX0.07Bn, which is 1.6% of the budget. The entity budgeted to collect NTR of 0.05Bn during the year under review. Out of this, only 0.049 Bn was collected, representing a performance of 98% of the target. • I assessed the implementation of nine (9) outputs that were fully quantified with a total of ten (10) activities worth UGX 0.813Bn and noted that; Two (2) outputs with two (2) activities and expenditure worth UGX 0.03Bn were fully implemented. Two (02) outputs with three (3) activities worth UGX.0.27Bn were partially implemented, while Five (5) outputs were not implemented. • The library has an approved staffing structure of 32 staff out of whichonly 22 (68%) positions are filled leaving 10 (32%) vacant.

		• I noted from management that no board has been constituted by the responsible Minister since 2018.
10.	National Women's Council <u>Opinion</u> Unqualified	• The Council had an approved budget of UGX 2.8Bn out of which UGX.2.848Bn was availed. Out of the available funds of UGX.2.848Bn, UGX.2.832Bn was spent representing an absorption level of 99%. • I noted that out of the seven (07) activities worth UGX.0.446Bn, the entity fully implemented one (01) activity; two (02) activities were partially implemented, while four (04) activities remained unimplemented. • The Council had outstanding payables of UGX 35 million relating to unpaid taxes in the period under review.
11.	National Youth Council <u>Opinion</u> Unqualified	• The Council budgeted to receive UGX. 2.076Bn out of which UGX.2.074Bn was received, a performance of 99.95% of its approved budget for the year. Out of the total receipts of UGX. 2.076 Bn UGX. 2.074Bn was spent representing an absorption level of 99.95%. • I noted that four (04) outputs with five (05) quantified activities amounting to UGX 0.085Bn were assessed as follows; 2 activities representing 40% were fully implemented, 2 activities representing 40% were partially implemented, while 1 activity representing 20% was not implemented. • The Council had outstanding payables totalling to UGX 175Mn as presented in the statement of financial position. • I also noted inadequate staffing of key personnel with only 8 (57%) out of approved posts of 14, filled leaving 7 (43%) posts vacant.
12.	National Social Security Fund <u>Opinion</u> Unqualified	• I noted that under Clauses 8.1.2 and 10.2 of the agreement between GOU and NSSF under the Bwebajja Project that GOU was required to budget for and include the upfront payment and annuity fees upon commencement of construction in its annual budget plans to ensure that there is adequate appropriation of funds to meet GOU's payment commitments. Additionally, GOU was expected to make an upfront payment of UGX.95 billion on the third anniversary of commencement of construction, which was not done. In addition, the project appears to be behind schedule and this may occasion significant implementation risks.
13.	UNFPA Country Programme Component of Data and Populationdynamics Implemented by Ministry of Gender, Labour & Social Development (Mglsd) 2021 <u>Opinion</u> Unqualified	• I noted that expenditure amounting to UGX.1,074,783 was not supported contrary to the requirements of the Treasury Instructions. • I noted that the Ministry recruited GBV support officers as volunteers who earned a basic allowance, however, their contracts indicated that they earned a monthly salary of UGX.500,000, which is above the PAYE threshold and qualifies for PAYE deductions as per the income Tax Act.

14.	UNFPA funded programme component of data and population dynamics Implemented by National Population Council (NPC) Dec 2021 <u>Opinion</u> Unqualified	• No significant matter to report on

	HEALTH SECTOR	
1.	Moroto RRH <u>Opinion</u> Unqualified	• I noted that the entity did not have a strategic plan that had been approved by NPA. • I reviewed the approved Local revenue estimates for the financial year 2021/2022 and noted that the Hospital did not budget to collect during the year. However, Moroto RRH did collect UGX. 13,136,750. • The Hospital budgeted to receive UGX. 9,624,678,535 as grants from the Treasury. However, UGX. 9,003,682,579 (95.5%) was warranted and UGX. 8,560,717,959 (88.9%) received respectively. • Moroto RRH did not budget to receive external/donor financing. But UGX. 2,180,676,879 was received as Off-Budget Financing. • Out of the total receipts for the financial year of UGX. 8,560,717,959, UGX. 8,553,113,589 (99.9%) was spent by the entity resulting in an unspent balance of UGX. 7,604,370 (0.1%). • Moroto RRH did not maintain a Non-Tax- Revenue register as required despite the Hospital collecting NTR revenue of UGX.13,136,750 during the year under review. • A review of payment vouchers revealed that funds amounting to UGX.22,887,500 did not have supporting documentation to provide evidence of occurrence of the activities for which they were drawn. • I noted that Moroto RRH had off-budget financing amounting to UGX.2,312,143,345 and out of this, UGX.1,746,648,373 was spent; leaving unspent funds at the year-end of UGX.565,494,972 • It was observed that UGX. 29,918,000 remained unaccounted for under the WHO fund account. • Audit observed that the Administration Block that houses offices of administrators is dilapidated. • I observed that Moroto RRH did not have a policy on Motor vehicle Management. • The Hospital has an approved structure of 420 staff and only 268 (63.8%) are filled leaving a staffing gap of 152 (36.2%). • Procurements worth UGX. 342,136,804 did not have procurement records in place. • The Hospital management did not implement the recommended disposal of the Hospital assets. This recommendation was made in the financial year ended June 2021.

2.	Moroto RRH 2020/21 <u>Opinion</u> Unqualified	• I noted that the Hospital did not submit wage estimates to MoPs, as required. • I reviewed funds absorption and noted that UGX.4,029,000,000 (91%) was spent out of the total receipts of UGX.4,414,000,000, resulting in an unabsorbed balance of UGX.385,000,000. • A review of the payroll data (IPPS) and IFMS payments revealed variances between amounts on the approved payroll and payments to individual employees, leading to over payment of UGX. 16,770,404 • I further noted that there was an under payment of salaries of UGX.15,196,847 • I noted that whereas UGX.1,051,244,661 was deducted from employees' salaries to be remitted to different beneficiaries, only UGX.1,034.320,950 was remitted, leading to under remittance of UGX 16,923,711 • I noted that UGX.168,066,631 was paid as residual arrears to 13 staff. However, these had not been verified and were not part of schedule provided by MoFPED for payment • I noted that the Hospital did not prepare monthly wage, pension and gratuity performance analysis and thus did not submit quarterly returns on payroll to MoPS • I reviewed the effectiveness and reliability of the IPPS/NID staff/pensioner/beneficiaries' verification interface and noted the following; • In-adequate sensitization and training in the use and navigation of the system • Operational challenges were encountered • Lack of some of the rights like the person-to-holder which are very crucial and important to the Human Resource Officers • Lack/inadequate verification and ineffectiveness of the system may affect the integrity of the IPPS payroll • The Regional Referral Hospital received funding in instalments of UGX.65,680,000 on 18th September 2020 and UGX.300,000,000 on 16th December 2020, to undertake interventions to avert the effects of Covid 19 Pandemic. • Based on the procedures undertaken, I noted that the entity had prepared the strategic plan but it was not approved by NDP at the time of audit. • Out of the total receipts for the financial year of UGX.6.962Bn, UGX.6.555Bn was spent by the entity resulting in an unspent balance of UGX.0.408Bn representing an absorption level of 94.2%. • I noted that Moroto RRH received off-budget financing to a tune of UGX.365,680,000 directly from the Ministry of Health for undertaking activities like interventions in the control of Covid 19 which was never declared to the PS/ST • The three (3) sampled outputs with a total expenditure of UGX.0.364Bn, no output was fully quantified • I noted that the entity submitted performance reports for Q1 and Q4 after the deadline given for submission of the reports • The Hospital has an approved structure of 420 staff at the Regional Referral Hospital, only 265 (63.10%) are filled leaving a staffing gap of 155 (36.90%) positions.

3.	Mbale RRH <u>Opinion</u> Unqualified	• The Mbale Regional Referral Hospital (HRRH) had an approved budget of UGX. 20,099,113,265, of which a total of UGX. 20,098,363,264 (100%) was warranted by year end • The total expenditure for the year was UGX. 14,466,167,628, out of which UGX. 4,725,708,673 (32.67%) was spent on salaries, pension and gratuity. • The RRH budgeted to receive UGX.9,494,298,740 for salaries, pension and gratuity during the year under review but received UGX.7,963,496,389 representing 84% performance • Out of the UGX.7,963,496,389 received for salary, pension & gratuity, the Referral Hospital spent, UGX. 4,725,708,673 representing 59% • There were no overpayments of salaries, Pensions & Gratuity • I noted that UGX. 205,587,924 had been approved in the IPPS payroll to be paid to employees, however, a review of payments on IFMS revealed that only UGX. 172,686,917 was paid leading to under payments of UGX 32,901,007. • I noted that 21 pensioners/beneficiaries were underpaid by UGX.932,313,680. • I noted that all pensioners appeared on the IPPS payroll register and had the necessary documentation in their pension files to support their existence. • I noted that UGX.591,967,479 had not been paid to 7 pensioners/beneficiaries and 1 pensioner/beneficiary was underpaid by UGX.200,350,810 by the close of the financial year. • I noted that UGX. 41,149,706 was paid to 5 staff who had either retired, transferred, absconded or died with average delays of 12 months. • Based on the procedures performed, I noted that there were no cases of wrong alignment of staff on the IPPS. • I noted that UGX.243,474,459 was paid as residual arrears to 7 pensioners who had not been verified, and therefore were not part of the schedule provided by MoFPED. • In addition, 1 pensioner was paid UGX.29,248,375 in excess of the verified salaries, pension and gratuity arrears. • I further noted that out of 2 verified pensioners, 1 was under paid by UGX.47,843,436 while the other was not paid the verified sum of UGX.3,051,540. • I noted that payment of salary/pension arrears to staff/pensioners were all supported by copies of the beneficiaries' bank statements showing the transfer of funds to the claimants' bank accounts and photocopies of their national identity cards. • I observed that no arrears were paid to pensioners who had not missed pension in the previous financial year(s). • I noted that 3 newly recruited/ transferred employees delayed to access payroll, with average delays of 120 days (17 weeks) • I also noted that 6 staff that joined during the year did not access the staff payroll by close of the financial year. • I noted that 3 new pensioners/beneficiaries delayed to access pension payroll, with average delays of 484 days (69 weeks)

		• I further noted that 19 pensioners never accessed the payroll between the time of departure and end of the financial year. • I noted that funds amounting to UGX. 64,922,643 were charged on account codes other than those prescribed for salary, pension and gratuity • I observed that loan/savings deductions were backed by letters of undertaking or consent letters as a prerequisite of approval of the deductions. • I observed from the active deductions report (downloaded on 30th September, 2022 at 5.00pm), that UGX.8,154,511 relating to 2 employees was deducted past the due date. • Analysis of the active deductions report (downloaded on 30th September, 2022 at 5.00pm) revealed that UGX.5,768,461 deducted from 02 employees had irregular end dates ranging from 120 months to 180 months • I observed that deductions amounting to UGX.33,780,714 relating to 14 employees were neither in the "my approvals" report nor in "My active deductions" report on the PDMS. • I observed that UCLA/UBA deducted UGX. 41,305,339 from 17 employees without approval of the Accounting Officer from the PDMS. • In addition, UGX. UGX.1,083,492 was deducted by UCLA/UBA from 20 staff over and above the approved amounts by the Accounting Officer. This resulted into financial loss to the affected staff. • A comparison of the "active deductions" and "my approvals" reports in the PDMS revealed that there were variances in deduction amounts. • I also noted that there were variances in monthly deduction amounts in active deductions report in the PDMS and IPPS payroll • LST of UGX.17,575,000 was not deducted from 316 employees • The Hospital had wrongly deducted the LST of 166 employees resulting into an overpayment of UGX.55,000 and under payment of UGX.2,351,250. • My analysis of the IPPS register and re-computation of PAYE revealed that although PAYE was deducted from all employees on the payroll, the Hospital wrongly computed the PAYE of 356 employees resulting into an under payment of UGX.9,608,994. • I compared the deductions in the IPPS payroll registers with the remittances/payments in the IFMS details XML payment file and noted an over and/or under remittance amounting to UGX.46,591,062 and UGX.331,536,207 respectively. • I observed that there were no deductions remitted to a supplier/beneficiary with no corresponding deductions on the payroll. • I observed that there were variances of UGX.359,258,628 between the IPPS payroll registers and interface files availed to the entity by the core FTP system. This creates an opportunity for manipulation and misappropriation of salary/pension funds and could also lead to over/under payments of salary/pension. • I noted that all the relevant documents to support the creation of assignments on the IPPS payroll for 18 employees and 22 pensioners were in their respective files.

		• I noted that funds to the tune of UGX.30,626,159 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • I noted that the hospital has failed to remit these taxes to URA and has been outstanding for the last two years. • I noted that the entity did not pay NSSF Contributions amounting UGX. 8,378,688 arising from the payment of Salaries of private wing staff on contract contrary to the law. • I noted that out of budgeted total revenue of UGX. 20,099,113,265 for the year 2021/2022, UGX. 20,111,753,711 (100%) was realized. • Out of the total receipts for the financial year of UGX. 20.11Bn UGX.14.46Bn (72%) was spent by the entity resulting in an unspent balance of UGX.5.64Bn (28%). • I noted that the Regional Referral Hospital received off-budget financing of UGX. 2,824,625,391, which was not appropriated to the entity by Parliament. • I noted that domestic arrears worth UGX.17.2Mn which were not budgeted for during the year • I also noted expenditure on unbudgeted items • I noted that the oxygen plant was acquired by the Hospital inv2017 but broke down in 2020 during the Covid-19 pandemic. • I noted that out of four x-ray machines owned by the Hospital, only one is functional but was not in use by the time of conclusion of my audit. • I noted that the hospital lacked a CT scan and therefore cannot offer such services to its patients but rather refer them to seek such services from nearby health facilities. • I noted that Mbale RRH has inadequate facilities to provide the range of services expected of a regional referral hospital • I noted during my review that management of the Hospital paid UGX. 15Mn as contribution to M/S Independent publication Ltd. for publication/inclusion of the hospital in a handbook on health sector performance in Uganda.
4.	The Country Coordinating Mechanism December 2021 <u>Opinion</u> Unqualified	• Out of a total of USD.555,693 available for spending during the year only USD.515,017 was spent resulting into an unspent balance of UGX.40,676 representing 7.3% of the available funds. • Out of a total of USD.555,693 available for spending during the year only USD.515,017 was spent resulting into an unspent balance of UGX.40,676 representing 7.3% of the available funds. • Out of a total of USD.555,693 available for spending during the year only USD.515,017 was spent resulting into an unspent balance of UGX.40,676 representing 7.3% of the available funds.
5.	Uganda Debt-swap (Kawolo-Busolwe General Hospitals) Project	• I noted that the refurbishment of Busolwe General Hospital whose proposed scope was estimated to cost USD 5,532,792.38 has delayed to commence to-date despite the fact that the project designs had been approved by the Bi-National Committee a year ago in December 2021.

	<u>Opinion</u> Unqualified	

6.	ADB –UCI East Africa's Centres of Excellence for Skills and Tertiary Education in Biomedical Sciences
	
	<u>Opinion</u>
	Unqualified
		• The project expected to receive UGX.24.67Bn from Africa Development Bank/Fund (ADB/F) but only UGX.21.57Bn was received resulting into a shortfall of UGX.3.10Bn (11.63%).
		• Out of the total funds available of UGX.31,632,037,899, the project spent a total of UGX.24,381,361,189 resulting into unspent balance of UGX.7,250,676,710. The unspent balance majorly relates to uncompleted works (progress at 68%) for the Multi-Purpose building for cancer treatment and research.
		• I noted the following anomalies regarding the construction of the Multipurpose building for which Roko Construction Ltd was the contractor:
		  ○ Roko's contract expired on 30th December 2020 and the Bank objected to any further extensions.
		  ○ Management cashed the performance bond of UGX8bn after Roko Construction failed to perform as per contract
		  ○ Inconsistencies in the valuation of completed works between Certificates 6 and 7 with Certificate 6 dated 7th September 2021 having the total value of certified works as USD.10,136,181 and Certificate 7 dated 24th May 2022 having a total value of works completed being USD.9,691,293 hence a decrease in the value of works of USD 444,887.
		  ○ An overpayment to Roko of USD.82,444.
		  ○ UCI did not claim for liquidated damages amounting to USD.68,137.4 from Roko Construction Limited even after the Institute became aware of Roko's failure to deliver the contract.
		• The consultant had been paid USD.913,983 (95%) of the contract sum yet the progress of construction works that the consultant was supervising was only 69% as at 30th June 2022. The contract for consultancy services for the design and construction supervision expired in April 2020 and had never been renewed.
		• By 30.06.22, a total of USD.851,608 (80% of the contract sum) was paid to M/S MFI document solutions for the supply of ICT and Telemedicine Equipment. However, by at the time of the audit, the ICT equipment had not yet been delivered and installed. I further observed that the KCB bank performance guarantee presented by the supplier to the institute expired on 31/03/2022. There is a risk of loss of funds
		• A total of USD.483,000 (20% of the contract sum) was advanced to a supplier in March 2020 for the supply of a Magnetic Resonance Imaging (MRI). However, at the time of the audit the MRI scanner had not yet been delivered and installed. I further observed that the Stanbic Bank performance guarantee IG21293UG0101204 presented by the supplier to the Institute expired on 18th October 2022.
		• USD.176,600 (20%) had been advanced to a supplier in March 2020 for the supply of Laboratory Furniture but at the time of the audit, the furniture had not yet been delivered.

		• I noted that the project staff were paid salaries to the tune of UGX.287,225,467 and UGX.83,170,756 was deducted as PAYE out of which UGX.31,289,385 was remitted resulting in to an under remittance of UGX.51,881,371.
7.	Uganda Reproductive Maternal and Child Health Services Improvement Project (URMCHSIP) <u>Opinion</u> Unqualified	• Out of the available budget of USD180Mn, a total of USD 131.7Mn was spent resulting into unutilized balance of USD 17,056,967 yet the project was closing in December 2022, a month away. • I noted that, as at 30th September 2022, the digitalized system for verification of outputs and invoicing which had been rolled out by the Ministry to all the 131 districts was being utilised by only 98% of the districts to verify outputs and generate invoices. • Despite the significant contribution of URMCHSIP to the mandate of the health sector and bearing in mind that the project interventions will be closing by 31st December 2022 and finally end by June 2023, measures have not been put in place by the Ministry to guide the sustainable financing of the project interventions after close of project. • A local firm was contracted in June 2022 to develop a Birth and Death and Adoption Orders Registration System (BDAR) through NIRA. However by the time of reporting in December 2022 this had not been done. The performance gurantees were also still outstanding. • Whereas 200 computers were supplied and delivered to NIRA in September 2022 for use in High Volume HC IIIs to support in Notification of Health Facility Deaths and Births, they had not yet been distributed to the intended beneficiaries by November 2022. • Contrary to the RBF implementation manual, a total of UGX. 2,771,416,463 transferred to various Health facilities meant for the maintenance (medicines and other supplies) lacked the required accountabilities.
8.	Uganda Cancer Institute 2021 <u>Opinion</u> Unqualified	• I noted that the entity had prepared its Strategic Plan for the period 2020/21 – 2024/25. However, although the plan was submitted to National Planning Authority (NPA) it had not yet been certified by the time of reporting. There is a risk that activities implemented during the financial year 2020/21 were not aligned to the NDP-III, which negatively affects the achievement of NDP-III objectives. • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/21 and noted that although the entity budgeted to collect NTR of UGX.1.95Bn during the year under review, only UGX.1.58Bn was collected resulting into a shortfall of UGX.0.37bn (representing under performance of 18.97% of the target). Shortfalls in NTR collections affect the implementation of planned activities at Government wide level. • UCI budgeted to receive UGX.37.76Bn out of which UGX.37.11Bn was warranted, resulting into a shortfall of UGX.0.65Bn (representing 1.72% of the budget). Revenue shortfalls affect the implementation of planned activities. • I noted that funds to the tune of UGX. 82,520,767 were irregularly reallocated from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. Unauthorized reallocation of funds is not

		only contrary to the Public Finance and Management Act, but it negatively affects the delivery of services and negates the purpose of budgeting. • Funds to the tune of UGX.161,782,565 meant for contract staff salaries were reallocated and spent on permanent staff salary payments without seeking and obtaining the necessary approvals. • A review of the Hospital's NTR records revealed that the Accounting Officer waived off Radiography fees worth UGX.35,610,000 during the year under review. However, there was no policy in place to guide management on waivers. These waivers can be abused.
9.	Uganda Cancer Institute (UCI) Opinion Unqualified	• Out of the total warrants of UGX.148.22bn received during the financial year, the Institute submitted invoices totaling UGX.147.64Bn resulting in unutilized warrants of UGX.0.58Bn representing an absorption level of 99.6%. • Funds amounting to UGX.269,511,315 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Institute paid domestic arrears incurred outside the appropriated budget to a tune of UGX.1,351,175,775. • I was not provided with supporting documents for expenditure of UGX.292,502,866. • The Institute has two (2) IT systems which were not integrated and not automatically sharing information with other systems which leads to inefficiencies. • I reviewed the implementation of ICT activities and noted that there was no; approved IT risk management framework/policy and risk register at the entity and business continuity plan. • Management under paid pension to a tune of UGX.31,103,361 and did not pay gratuity of UGX.24,928,278.
10.	China Uganda Friendship Hospital Naguru Opinion Unqualified	• Out of the total warrants for the financial year of UGX.10.870Bn, only UGX.9.99Bn was spent by the entity resulting in an unspent balance of UGX.0.878Bn (representing an absorption level of 91.92%). As a result, of the 28 quantified activities

		worth UGX.0.996Bn assessed; 25 activities (representing 89%) were fully implemented, 2 activities (representing 7.1%) were partially implemented while 1 activity remained unimplemented. • Two (2) land titles for land measuring approximately 1.259ha were not transferred into the names and custody of the Uganda Land Commission contrary to the Treasury Accounting Instructions. • The Hospital's Procurement and Disposal Unit which is supposed to have two (2) staff, according to the approved staff establishment, has only one (1) staff in post handling all procurement duties. This can lead to internal control overrides. • During inspection of the Hospital Stores, I observed that the storage area was small and medicines were congested with the medicines on the floors instead of pallets and boxes leaning onto the walls. In addition, the store was not well lit and was poorly ventilated. • Fourteen (14) tracer drugs selected experienced stock-outs ranging from 42 to 312 days. Stock-outs erode patients' confidence in the public health care system, which compels them to seek inappropriate and expensive alternative health care services elsewhere. • Management experienced delays of up to 54 days in delivery of medicines and sundries to the hospital by National Medical Stores. • Examination of end-of-year stock balances for essential medicines revealed that some of the drugs had expired
11.	China Uganda Friendship Hospital Naguru 2021 <u>Opinion</u> Unqualified	• Through document review (interviews), I noted that the entity had prepared a draft five-year strategic plan FY 2020/21-2024/25 which had not yet been approved by the National Planning Authority at the time of audit. Failure to have timely approval of the strategic plan by the NPA leads to non-alignment of the operational plans with the strategic plan which negatively affects the achievement of NDP-III objectives. • I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2020/21 and noted that the entity budgeted to collect NTR of UGX. 234,656,317 during the year under review. Out of this, only UGX. 142,441,055 was collected, representing a performance of 60.7% of the target. • Out of the total warrants of UGX.10.362Bn received during the financial year. UGX. 10.13Bn was spent by the entity resulting in an unspent balance of UGX.0.232Bn representing an absorption level of 97.8%. • I noted the Hospital received off-budget financing to a tune of UGX.254,095,329, which was not declared to treasury and, therefore, not appropriated to the entity by Parliament. These funds were received directly from development partners for undertaking activities not budgeted for. • Three suppliers whose outstanding arrears were UGX.516,952,824 as at the end of FY 2019/20 were paid a total of UGX 636,305,508. Therefore, UGX.119,352,684 was paid to the suppliers in excess of the outstanding amounts. Despite the fact that UGX.119,352,684 was paid to three providers in excess of their outstanding domestic arrears, five suppliers with arrears totalling to UGX.102,668,097 were not paid. • The hospital structure has 349 approved positions. However, only 297 (85%) positions were filled and 52 (15%) positions were vacant by the end of the year under review. The hospital lacked a neurosurgeon to build the capacity of the emergency

		services and reduce unnecessary referrals. Inadequate staffing undermines the achievement of strategic objectives and affects service delivery. • I noted that the information system at the hospital is manual and there is no linkage between the point of admission of a patient, to treatment, laboratory, pharmacy, billing, payment and finally discharge as there are no patient records and as such it is difficult to confirm completeness of the fees billed since the current system cannot completely and quickly show the services consumed by a particular patient. Failure to integrate the systems leads to loss of revenue as it is difficult to quickly establish the services different patients have consumed, paid for, and those that have not been paid for. • There was a continued challenge concerning inadequate ward space especially for the Pediatrics, inpatient care for malnourished children, new born care and isolation of patients with contagious diseases. Congestion at the hospital with patients crowded in the wards and some sleeping on the floors exposes the patients to spread of contagious diseases.
12.	Mbarara RRH Opinion Unqualified	• Out of UGX.8,686,536,283, UGX.7,319,187,794 (84%) was spent by the entity on salaries, pension and gratuity resulting in an unspent balance of UGX.1,367,348,489 that were returned to the consolidated fund. • RRH underpaid UGX.56,327,519 in respect of pension and gratuity. • 4 newly recruited employees failed to access the payroll by the end of the financial year. • UGX.521, 912 relating to 2 employees was deducted past the end date according to my active deductions report. • UGX.17,719,439 deducted monthly from 72 employees, had loans with regular end dates ranging from 96 to 234 months. • RHH has arrears of UGX.1, 096,830,103, spanning as far as 12 years ago these relate to majorly unpaid utilities. • Out of budgeted total revenue of UGX.18, 030,255,546 for the year 2021/2022, UGX.16,028,761,438 (89%) was realized thus affecting operations of the private wing. • Out of the total receipts of UGX.16, 489,165,699, UGX.15, 075,132,144 (91%) was spent by the entity resulting in an unspent balance of UGX.1, 414,033,555 (9%) that were returned to the consolidated fund. This affected majorly payment of salaries and pension. • UGX.2, 158,463,042 received by the RRH from development partners was not appropriated to the entity by Parliament. • I noted a slow progress of works on 32 of the 56 Unit staff house under construction. Works remained at 30% yet the completion date was 22/07/2022. • UGX.69, 820,000 was paid for a Video Conferencing Equipment that remained un-utilized by the end of the financial year. • Out of 388 positions in the establishment register for the RHH, only 315 positions were filled leaving 73 (19%) positions vacant.
13.	Masaka RRH Opinion	• Out of the total receipts for the financial year of UGX.7,188,852,354, UGX.6,475,538,668 was spent by the entity resulting in an unspent balance of UGX.713,343,686, representing an under absorption level of 9.9%

	Unqualified	• I noted an under payment of UGX.73,203,538 in respect of pension and gratuity. the underfunding was mainly caused by Medium Term Expenditure Framework (MTEF) ceilings communicated by MoFPED. • 15 newly recruited/ transferred employees delayed to access payroll, with average delays of 29 days (4 weeks) • UGX.8,878,853 relating to 8 staff was underpaid as a result of the delayed access and payment. • 3 new pensioners/beneficiaries delayed to access pension payroll, with average delays of 6 days (1weeks). • MoPS made deductions from staff on behalf of UCLA/UBA amounting to UGX.36,611,225 relating to 12 employees and the amount lacked letters of undertaking or consent letters • UGX.14,473,215 relating to 8 employees was deducted by UCLA/UBA past the end date. • Noted unrealistic loan end dates for 8 employees ranging from 111 to 1663 years. In the year under review, UGX.23,704,932 had been deducted from these employees • UCLA/UBA deducted UGX.17,460,348 from 21 staff without approval of the Accounting Officer from the PDMS • The Hospital had wrongly deducted the LST of 255 employees resulting into an under deduction of UGX.7,916,250. • Through a re-computation of PAYE, I noted that the Referral Hospital had wrongly computed the PAYE of 271 employees resulting into an under payment of UGX.6,170,287. • Compared the deductions in the IPPS payroll registers with the remittances/payments in the IFMS details XML payment file and noted an under remittance amounting to UGX.58,592,895. • There were variances of UGX.106,777,757 between the IPPS payroll registers and interface files availed to the entity by the core FTP system. • The entity paid UGX.28,348,917 in respect of Salaries off IPPS • Noted funds amounting to UGX.54,934,223 relating to Pension were charged on account code 211101-General Staff Salaries other than 212102 that is prescribed for Pension. • Out of budgeted total revenue of UGX.12,967,092,147 for the year 2021/2022, UGX.12,976,969,799 (102.8%) was realized • Out of the total receipts for the financial year of UGX.12,967,092,144, UGX.12,241,302,938 (94%) was spent by the entity resulting in an unspent balance of UGX.725,789,206 (5.9%). • Violation of Restricted Bidding Procedures for project of remodeling of maternity complex ground floor into ICU • The entity assets register did not conform to requirements as it lacked asset numbers, registration numbers, initial cost, recoverable cost. • Slow progress on implementation of capital works under construction of maternity and senor staff hostel. • Masaka Regional referral hospital received and utilized un-warranted off-budget financing from development partners a sum of UGX.4,586,597,602 which was not appropriated to the entity by Parliament.
14.	Arua RRH <u>Opinion</u> Unqualified	• The Referral Hospital spent, UGX.7,041,373,112 on Salaries, Pension and Gratuity, representing 58% of the total expenditure of UGX.12,229,767,057. • 18 newly recruited/ transferred employees delayed to access payroll, with average delays of 6 months (24 weeks). I further noted that UGX.97,500,429 relating to 14 staff was not paid because of the delayed access and payment. Delayed access of

		newly recruited or transferred staff to the payroll leads to demotivation of the affected staff as well as accumulation of salary arrears. • Medical intern staff were paid past their due date by an average of 27 days, in all 6 months reviewed. I noted that in June 2021 and October 2021, they were paid 52 days and 45 days after the closure of the months. Delayed payment of salaries leads to demotivation of the affected staff as well as accumulation of salary arrears. • An over and/or under remittance amounting to UGX.248,991,771 and UGX.1,544,347 respectively were noted during comparison of the deductions in the IPPS payroll registers with the remittances/payments in the IFMS details XML payment file. • Net variances of UGX.56,622,986 between the IPPS payroll registers and interface files availed to the entity by the core FTP system. This creates an opportunity for manipulation and misappropriation of salary funds and could also lead to over/under payments of salary • The Hospital did not maintain IPPS pension registers nor did it maintain IPPS verification reports for their pension staff. As a result, I was unable to analyse their pension and gratuity payroll with the payments executed in IFMS • The Hospital did not include Hospital Management Board Member's retainer fees of UGX.19,200,000 in the computation of PAYE leading to under deduction of PAYE of UGX.5,760,000. Omission of commissioner's gratuity from the computation of PAYE leads to understatement of payables and receivables. • The Hospital received off budget financing to a tune of UGX.2,692,383,900, which was not transferred to the consolidated fund as required by the law. These funds were received directly from Ministry of Health and development partners for undertaking activities not budgeted for. Off-budget financing distorts planning, may result in duplication of activities and is contrary to the Public Finance Management Act. • Although UGX.843,109,684 from other government units was reported as part of the project balances in the memorandum statement for project balances on page 47 to financial statements, they it was not appropriated by Parliament and were not part of the budget. Inadequate disclosures may give room to misuse of funds. • Out of budgeted total revenue of UGX.12,359,383,661 for the year 2021/2022, UGX.12,357,633,660 (99%) was realized. • Out of the total warrants for the financial year of UGX.12,357,633,660, UGX.12,229,767,057 (99%) was spent by the entity resulting in an unspent balance of UGX.127,866,603 (1%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. The funds that were not absorbed were meant for the part payment of supply of an assortment of orthopedic equipment and accessories. I noted that while the equipment was delivered, it was not paid because the hospital administrator rejected some accessories valued at UGX.5,900,000. • The budgets for 2 of the 12 outputs assessed were not supported by costings/budgets for each of the activities within these outputs. I was therefore unable to confirm if the funds allocated for these out-puts were reasonable and justifiable. • Arua Regional Referral Hospital structure lacked over 69 positions that were prerequisite to the full operationalization of a referral hospital. The Hospital was operating on a staffing structure established in 1996 when the hospital was still operating as a District hospital. The structure had not been updated to match its new status as a regional referral hospital. As a result,

		while the hospital staffing level stood at 77.3%, several critical staff could not be recruited and absorbed leaving several departments understaffed • Several inadequacies in vital equipment like infant warmers, patient monitors, operating beds and headlamps among others were observed. There were also cases of stock outs of vital accessories needed to operationalize some medical equipment like batteries, distilled water for incubators, tubes for infusion pumps among others. The theatre also lacked several complementary equipment like cupboards needed to store sterilized equipment and accessories, drums for sterile equipment, mayo trays, operating stools, weighing scales etc. • Maintenance works were hampered because of lack of ready spare parts for some medical equipment such as the Auto Clave machines. Some equipment was too old or damaged beyond repair for example operating lights in the Gynecology Theatres. • The x-ray duo-diagnostic heavy-duty machine was non-functional, idle and redundant. The machine needed updating of software yet the service provider's contract had expired. Idle and redundant medical equipment denies services to the patients and the equipment may be rendered obsolete over time. • The hospital had non-functional medical equipment eg Weighing scales – infants, Ultra scanners, Infusion Pump etc. Non-functioning equipment denies services to the patients and the equipment may be rendered obsolete over time. • During Inspections, it was noted that the hospital the structure was old, non-maintained, without sanitation facilities, no heavy duty staff gloves and therefore exposing staff to infections, had inadequate detergents, no flat iron, basins and buckets for carrying machine washed clothes and no uniforms and seats for staff. • The Oxygen plant was non-functional and hospital was relying on the oxygen supplied by NMS and therefore affecting the hospital drugs budget. No proper storage for both empty and filled cylinders. Cylinders were scattered on the ground exposing them to theft and explosions. Although the daily oxygen production is documented to be 30 cylinders per day, there was no proper distribution system to respective ward/s users in terms of requisitions and dispatch exposing the cylinders to the risk of black market. • The Pediatric Ward The ward has capacity of 40 beds but on average accommodates 90 children making others to sleep on the floor as shown in the picture. No trolleys for equipment and drugs, No wheel chairs. 3 oxygen concentrators function out of 6. • Doors and windows broken without locks and therefore exposing patient and staff to risk of theft. Poor hygiene was also noticed in toilets and bathrooms due to their non-functionality. • The maternity ward had Inadequate leading floor cases during the peak hours, Inadequate sanitary facilities, one toilet and bathroom supporting an average of 100 women on in the ward, Maternity had 6 deliveries but the minimum required beds are 10,the drainage system for the sluicing room was blocked and non-functional. • Gynae Theatre's cupboards had rusted and hence exposing the medical tools to contaminations, no trolleys, no fridge, and no anaesthetist for operations.

		• Orthopaedic Workshop was adequately equipped and staffed. It lacked the following materials for operations; Polypropylene for making sockets, Eva Foams for making soft inserts, Pop powder for fabrication of devices, Knee Joint for Artificial limbs and Components for fabricating the limbs • Hospital Lagoon's fence was vandalized due to the absence of security and as a result manhole covers have been stolen and the community was using the land for grazing. • Arua Regional Referral Hospital private wing did not have an approved work plan and budget for the financial year 2019/2020.The strategic plan and budget is supposed to guide the budgeting process by creating integrated link with the general hospital annual work plans which feed into the budget to ensure effective service delivery and achievement of their vision, mission and objectives. • The hospital did not maintain a detailed risk register for all risks that may affect the implementation of activities as detailed in the approved work plans and budgets. As such, there were no strategies and officers responsible to mitigate the occurrence of such risks or to minimize the impact in the event that these risks materialized. The failure to maintain risk registers implies that the entity does not have a mitigation or response strategy to risks that may affect the achievement of planned activities. ua Referral Hospital showed that receipts and payments totaling UGX.2,692,383,900 did not go through GFMIS. It was further noted that these transactions were not disclosed in the financial statements for year under review.
15.	Jinja RRH Opinion Unqualified	• During the year under review (FY 2021/22), Jinja RRH spent, UGX. 9,978,315,215 on salaries, Pension and Gratuity, representing 61% of the total expenditure of UGX. 16,236,829,143. • Jinja RRH budgeted to receive UGX.11,065,053,195 in respect of salaries, pension and gratuity during the year under review and received UGX. 11,065,053,193 representing 100% performance. • Out of the total receipts for the financial year of UGX. 11,065,053,193, UGX. 9,978,315,215 was spent by the entity resulting in an unspent balance of UGX.1,086,737,978 representing an absorption level of 90%. • Review of the payroll registers (IPPS) and IFMS payments revealed an under payment of UGX. 22,130,445 in respect of pension and gratuity. • Jinja RRH had wrongly computed the gratuity benefits of 06 pensioners who were paid gratuity during the year resulting into an overstatement of UGX. (15,917,110). • Jinja RRH had wrongly computed the pension benefits of 05 new pensioners (who were paid pension during the year) resulting into an overstatement of UGX. 172,855. • In addition, I compared the re-computed pension given the number of months the person was paid in the year and actual pension paid and noted an over payment of UGX. 1,466,274 to 04 pensioners/beneficiaries and an under payment of UGX. 4,413,861 to 02 pensioners/beneficiaries. • I noted that 15 newly recruited/ transferred employees delayed to access payroll, with average delays of 81 days (12 weeks). • I however, noted that 03 new pensioners/beneficiaries delayed to access pension payroll, with average delays of 24 days.

		• I noted that UGX. 3,790,460 was paid to 02 staff who had either retired, transferred, absconded or died with average delays of 1 month. • I noted that funds amounting to UGX. 41,131,639 in respect of pension payments were charged on gratuity code. • I observed that MoPS deducted UGX. 117,047,028 from 46 staff on behalf of UCLA/UBA without letters of undertaking or consent as a prerequisite of approval of the deductions • I observed that UGX. 1,282,001 relating to 03 employees was deducted past the end date. • I noted unrealistic loan end dates for 29 employees ranging from 6 to 10 years. In the year under review, UGX. 73,560,513 had been deducted from these employees. • I observed that UCLA/UBA deducted UGX. 79,301,673 from 43 staff without approval of the Accounting Officer from the PDMS. • LST of UGX. 100,000 was not deducted from 01 employee • The RRH had wrongly deducted the LST of 308 employees resulting into an overpayment of UGX. 1,455,000 and under payment of UGX6,765,000. • Jinja RRH had wrongly computed the PAYE of 320 employees resulting into an overpayment of UGX. 2,623,500 and under payment of UGX. 11,932,835. • I compared the deductions in the IPPS payroll registers with the remittances/payments in the IFMS details XML payment file and noted an under remittance amounting to UGX. 21,057,742. • I compared the payroll registers (IPPS file) with the IFMS interface files and observed that there were net variances of UGX. (12,684,721). • A comparison of the IPPS payroll register and IFMS payment file revealed that UGX. 328,826,285 was paid off the IPPS to 10 employees and 176 pensioners. • I noted that the relevant documents to support the creation of assignments on the IPPS payroll for 20 employees were not on their files • I noted that funds to the tune of UGX. 33,822,862 were irregularly misclassified through wrong coding without seeking and obtaining the necessary approvals. • The hospital disclosed accumulated verified payables figure of UGX. 1,280,812,842, mainly arising from consumption of utilities like electricity and water. Out of the opening payables balance of UGX. 1,184,835,800, only UGX. 9,802,796 was budgeted for and paid during the year which left UGX. 1,175,033,004 from the previous years unpaid. • I noted that out of the budgeted total revenue of UGX. 19,066,169,970 for the year 2021/2022, UGX. 17,937,733,921 (94%) was realised.

		• Out of the total receipts for the financial year of UGX. 17,570,129,321, UGX. 16,236,829,143 (92%) was spent by the entity resulting in an unspent balance of UGX.1,333,300,178 (08%). The unspent balance at the end of the financial year was subsequently swept back to the consolidated fund account. • Reviews revealed that NTR had an initial budget amount of UGX. 813,349,837 and a revised amount of UGX. 885,620,813. however, there was no documentary evidence in terms of work plans and budget estimates to support the budget figure. • The private wing pharmacy lacked stock cards to show drugs received, drugs issued out and the balance at hand on any particular day. • There were no monthly, quarterly or annual drugs and medical supplies reconciliation records in place and as such, I was unable to ascertain the balance of stock at hand. • Inquiries revealed that the hospital had an auto clinic system that was supposed to help with daily reconciliations, however, this had been off for more than 5 months during the year and therefore was not up-to-date. • Inquiries revealed that the personnel working in the private pharmacy currently did not have the requisite technical knowledge to enable smooth operations. There was no evidence to show that these employees received training to equip them with the basic knowledge for running the operations of the pharmacy. • Inquiries revealed that there was no approved fees structure to guide in charging of patients. There was no evidence of fees being made public through notice boards and other strategic locations. • An inspection of the store revealed that Various drugs that expired during the year had not yet been removed from the shelves as required. • I also observed that the Hospital procures drugs with a short expiry period • An inspection of the medical stores revealed Leaking roof that lets in rain water hence contaminating the drugs, there were few shelves to handle all the drugs. Most drugs had been laid on the floor, the store was generally in a disorganized state, the approved structure recommends 3 positions in the store. However, only 1 position was filled leaving a staffing gap of 2 positions • Inspection of a sample of stock cards revealed that they had not been updated. For example, they lacked quantities in, and balances of items in stock, I also noted that management did not maintain a stock book. • I noted that the entity did not have a strategic plan that had been approved by NPA. • I observed that the budgets for 04 of the 05 outputs assessed were not supported by costings/budgets for each of the activities within these outputs. I was therefore unable to confirm if the funds allocated for these out-puts were reasonable and justifiable. • I noted that a number of assets that were identified by the Board of Survey Report in 2021 for disposal had not been disposed of by the time of audit (25th July 2022).
16.	Soroti RRH <u>Opinion</u>	• Out of UGX.7,484,933,156 received as wage, pension and gratuity, UGX.7,216,775,575 was spent, resulting in an unspent balance of UGX.268,157,978 that was returned to the consolidated fund. This was due to failure to recruit staff.

	Unqualified	• The Hospital overpaid UGX.6,723,758 in respect of salaries and pension, the Accounting Officer promised to recover the funds from the respective employees. • The Hospital underpaid UGX.462,977,214 to 9 pensioners/beneficiaries this was attributed to challenges with accessing the payroll. • 4 newly recruited/ transferred staff delayed to access the payroll with delays ranging from 2 to 3 months, all arrears were paid by the financial year end. • 5 new pensioners/beneficiaries delayed to access pension payroll, with delays ranging from 3 to 25 months. As a result, UGX. 43,777,430 was not paid. • UGX. 32,005,554 was paid to 7 staff who had either retired or died. • UGX. 66,126,78 relating to pension and gratuity were charged on account codes other than those prescribed for pension and gratuity. • UGX. 167,564,620 was deducted from 81 employees without letters of undertaking or consent. • UGX. 1,356,648 relating to 5 employees was deducted by UCLA/UBA past the end date. • 9 employees had unrealistic loan end dates ranging from 47674 to 53394 years. UGX. 19,762,167 had been deducted from these employees. • UCLA/UBA deducted UGX.20,972,029 from 12 staff without approval of the Accounting Officer from the PDMS. • There were variances in monthly deduction amounts in active deductions report in the PDMS and IPPS payroll. • The Hospital had not deducted LST of 266 employees. • The Hospital wrongly computed the PAYE in respect of 270 employees resulting into under deduction of UGX. 6,079,991. • There were inconsistencies between interface files and payroll registers. • A comparison of the IPPS payroll register and IFMS payment file revealed that UGX.41,858,894 was paid off the IPPS to 3 employees. • I observed that there is absence of a designated cash office and billing clerk, patients are given bills verbally by the ward in charge nurses. • The Hospital had irregularly accumulated domestic arrears worth UGX.271,502,307 as disclosed in the statement of outstanding commitments. • The Hospital received off budgeting financing on the Administration account of UGX.1,897,356,302 but only spent UGX.1,343,183,215 leading to an under absorption of UGX.834,398,779 representing 62%. • Out of the budgeted total revenue of UGX. 9,728,867,272 for the financial year 2021/2022, UGX. 9,728,867,272 (100%) was realized.

		• Out of the total receipts for the financial year of UGX. 9,728,867,272, UGX. 9,460,702,687 (97%) was spent by the entity resulting in an unspent balance of UGX.268,164,585 (3%). • The Hospital experienced drug stock outs for several essential medicines. • The Hospital experienced expiry of several essential medicines. • The hospital did not have a designated storage area for expired drugs. • Out of the Hospital's approved staff list of 289, only 194 (67%) were filled. • The hospital did not maintain a detailed risk register.
17.	Hoima RRH Opinion Unqualified	• Out of UGX. 7,354,467,299 received as wage, pension and gratuity, only UGX. 7,141,440,796 was spent, resulting in an unspent balance of UGX. 213,026,503 that was returned to the consolidated fund. This was due to failure to recruit heath workers and delayed submission of pensioner's documentation for payment by the RRH. • RRH overpaid UGX. 1,273,933 in respect of salaries. The Accounting officer promised to recover the funds from the respective employees. • RRH underpaid UGX. 74,926,837 in respect of pension and gratuity due to insufficient allocation funds by MoFPED. • 13 newly recruited/ transferred employees delayed to access payroll, with average delays of 1.8 months. By close of the financial year, 8 staff had not been paid a total of UGX. 9,078,276. • 5 new pensioners/beneficiaries delayed to access pension payroll, with average delays of 4 months. As a result, UGX. 5,343,902 was not paid by the end of the financial year. • UGX. 7,268,797 was paid to 6 staff who had either retired, transferred, or died with average delays of 1.5 month. Delayed removal of staff from payroll resulted into financial loss to government. • UGX. 1,757,809 relating to Pension and Pension Arrears were charged on account codes other than those prescribed for Pension and Pension Arrears. • UGX. 4,586,671 relating to 8 employees was deducted by UCLA/UBA past the end date. • RRH had unrealistic loan end dates for 8 employees ranging from 109 to 4738 years. • UCLA/UBA deducted UGX. 21,015,298 from 8 staff without approval of the Accounting Officer from the PDMS. In addition, UGX. 4,315,541 was deducted by UCLA/UBA from 23 staff over and above the approved amounts by the Accounting Officer. • The RRH wrongly deducted the LST of 187 employees resulting into an over deduction of UGX. 2,836,250. • The RRH wrongly computed the PAYE in respect of 151 employees resulting into under deduction of UGX. 4,097,543. • There was under remittance of PAYE amounting to UGX. 56,049,162.

		• The RRH paid UGX. 22,434,758 off the IPPS to 2 employees and 2 pensioners/beneficiaries. The Accounting Officer explained that with the introduction of HCMS, the challenge will be resolved. • UGX. 266,171,930 spent on activities under account item codes they were not budgeted majorly due block releases by MoFPED. • Out of the total receipts of UGX. 9,515,008,698, UGX. 9,301,982,191 (97.76%) was spent by the entity resulting in an unspent balance of UGX. 213,026,507 which was swept to the consolidated fund account. This affected the staff recruitment and payment of pension. • UGX.58,857,369 remained unaccounted for by the end of the financial year. • UGX.17,694,000 was paid to a firm that is not registered to pay the value added tax causing a loss to government. • NSSF Contributions amounting UGX.6,503,625 arising from the payment of Salaries of private wing staff were not remited. ;X.2,227,822,220 received by the RRH was not appropriated to the entity by Parliament.
18.	Kabale RRH Opinion Unqualified	• Out of UGX. 5,131,275,924 received as wage, pension and gratuity, only UGX. 5,131,275,845 was spent, hence no unspent balance. • 3 new beneficiaries of the deceased had not been accessed to pension payroll, with delays ranging from 6 to 18 months. • Kabale RRH deducted UGX.4,586,671 relating to 6 employees was deducted by UCLA/UBA past the end date. • I noted that unrealistic loan end dates for 5 employees for a period of 9 years each in the year under review, UGX. 1,150,488 had been deducted from these employees. • A comparison of the "active deductions" and "my approvals" reports in the PDMS revealed that there were variances in deduction amounts by UGX. 1,376,164. • Re-computation of LST revealed the Kabale RR Hospital had wrongly deducted the LST of 12 employees resulting under deduction of UGX. 257,500. • Kabale RRH's payroll registers (IPPS file) with the IFMS interface files and observed that there were variances of UGX. 4,068,109. • Out of the total budget of UGX. 9,692,089,179, Kabale RRH received all the funds budgeted for that is 100%. • Out of the total receipts for UGX. 9,692,089,100, UGX. 9,644,150,861 (99.5%) was spent by the entity resulting in an unspent balance of UGX. 47,938,239 (0.5%). The unspent balance of UGX. 47,938,239 at the end of the financial year was subsequently swept back to the consolidated fund account. • Kabale RRH received UGX. 1,953,693,454 from donors like USAID, Global Fund and some from MOH to cater for HIV activities. • Kabale RRH had obsolete and unserviceable Medical equipment and non-functional oxygen plant and limited information on construction of the oxygen plant.

		• Kabale RR Hospital has an approved staff structure of 417 positions. I noted that out of the approved staff structure, 170 (41%) positions had been filled leaving 247 (59%) positions vacant. • Kabale RRH had not prepared the risk register for the hospital.
19.	Lira RRH Opinion Unqualified	• Out of UGX. 7,127,988,692 received as wage, pension and gratuity, only UGX. 7,116,377,641 was spent, resulting in an unspent balance of UGX. 11,611,051 that was returned to the consolidated fund. This was due to non-payment of one contract staff/pensioner Mr. Odu Benard. • The RRH underpaid UGX. 288,412 in respect of salary due to failure by the staff to report the under payments of his salary. • 01 new pensioner/beneficiary delayed to access pension payroll, with average delays of 1 month. As a result, UGX. 222,822 was not paid by the end of the financial year. • UGX. 46,025,872 relating to Pension was charged on account codes other than those prescribed for Pension. • The RRH has accumulated arrears of UGX.186,559,362, arising from non-payment employee costs. • Prepayments amounting to UGX.402,264,456 in respect of NWSC and UMEME advance payments had not been consumed at the end of the financial year. • Out of budgeted total revenue of UGX.15,649,329,200 for the year 2021/2022, UGX.10,790,701,383 (69%) was realized thus affecting payment of contract staff salaries, allowances and related expenses. • Out of the total receipts of UGX.10,790,701,383, UGX.10,599,468,917 (98.2%) was spent by the entity resulting in an unspent balance of UGX.191,232,466 (1.8%) that were returned to the consolidated fund. This affected majorly payment of salaries and allowances. • Fuel expenditure amounting UGX.35,298,250 deposited in United Bank of Africa (UBA) cards remained unaccounted at the end of the financial year. • UGX.24,204,209 relating to payment for supplies/works executed in the financial year 2020/2021 was expended as part of the current year expenditure yet there was no evidence of prior recognition of the domestic arrears and there was no budget provision. • Medical Insurance contract awarded to M/s UAP Old Mutual Insurance Uganda Limited on the 26th day of April, 2022 at a contract sum of UGX.263,587545 had no contract management plan and contract management report, no clearance was obtained from the Solicitor General, payment to the tune of UGX.247,772,213 (94%) had been effected yet the contract was still running up to 365 days after commencement and according to the special conditions of contract, the payment schedule was meant to be semi-annual basis.

20.	Entebbe RH <u>Opinion</u> Unqualified	• Out of UGX.3,387,231,383, UGX.3,354,258,489 (99%) was spent by the entity on salaries, pension and gratuity resulting in an unspent balance of UGX.32,972,894 that were returned to the consolidated fund. • RHH Overpaid UGX.1,594,870 in respect of pension and gratuity. • UGX.389,111,854 underpaid in respect of pension and gratuity. • RRH wrongly computed the gratuity benefits of 8 pensioners resulting in an understatement and overstatement of UGX.14,291,376 and UGX. 24,504,532 respectively. • UGX.9,607,206 deducted on the payroll was not remitted to respective beneficiary institutions. • Relevant documents to support the creation of assignments on the IPPS payroll for 4 pensioners were not on their respective files. • The entity did not maintain an up-date the staff list that included all new staff and excluded all staff leavers. • Out of UGX.1,200,000,000, was allocated for procurement of drugs and medical supplies UGX.1,021,000,000 (85%) resulting in a deficit of UGX. 179,000,000 (15%). • Out of the available allocation for procurement of drugs and medical supplies of UGX.1,036,173,022, UGX.411,082,167 (40%) was utilized by the entity leading to utilized balance of UGX.625,090,855 (60%). • 37 medicines and supplies totaling 3,260 in number (units) had expired. • Out of 559 approved positions, only 176 (31%) posts were filled, leaving 383 (69%) vacant positions. • RRH lacked 71 medical equipment, and had excess of 51 medical equipment. • 2 equipment in the radiology department were not functioning • Procurements of UGX.267, 725,480 were not in the procurement plan.
21.	Centre for Disease Control and Prevention (CDC) Sept 2021 <u>Opinion</u> Unqualified	• Although the Project had budgeted for USD 4,820,288 (UGX. 14,423,091,800), only USD 2,610,101 (UGX. 9,479,082,377) was received for utilisation for the financial year ending 30th September 2021 (representing 54%). I further noted that out of the USD 2,610,101 (UGX. 9,479,082,377) received, the project only utilised USD 2,577,021 (UGX. 9,362,167,833) leaving a balance of USD 33,080 (UGX 116,914,544). The low release of funds coupled with under absorption of funds implies unrealistic over budgeting. In addition the low absorption of funds received constrains management in the delivery of planned project outputs. • I noted that, whereas the Finance Unit Standard Operating Procedures provide that accounts and Financial statements / reports are to be prepared on the accrual basis using historical cost accounting, the Project operations manual 2017 provide for preparation on the basis of historical cost accounting. • A review of 4 beneficiary Rural Referral Hospitals' (RRH) financial reports, at the end of the year, revealed expenditure amounting to UGX 63,868,601 in excess of the budgeted amounts.

22.	Italian Support to UHSSP and PRDP –Karamoja Region Staff Housing Project June 2021 Opinion Unqualified	• A review of the project financial records revealed that, as of 30th June 2021, although cumulative receipts of EUROs 4,200,000 (100%) had been released to the project by the Italian Republic, the cumulative expenditure was EUROs 3,355,254.49 (79.89%) thereby leaving EUROs 844,495.51(20%) unabsorbed by close of the year under review. I further noted that the remaining project funds are insufficient to complete the project due to cost escalations. Under the circumstances, the project is exposed to a risk of incomplete projects and unpaid obligations at project closure. • The Italian Government delayed to disburse the second installment which affected the execution of the civil works under the initial contract. The Ministry of Health provided USD 1,304,322.96 (earlier meant for the procurement of x-rays) to the project to keep the works going. Upon receipt of the 2nd release from the Italian Government in December 2017, USD 1,276,847 was refunded leaving a balance of EUROs 22,302.24 outstanding to date. I informed management that delayed refund of internally borrowed monies negatively affects the delivery of the Ministry's planned outputs. • The Ministry of Health engaged a foreign firm to construct 68 staff houses at selected Health Centre IIIs in 9 Karamoja Districts at USD 5,592,885. The contract period was 18 months and a sum of USD 1,118,577 was advanced to the contractor on 16th June 2016. However, due to delayed payments by the Ministry arising from delayed release of funds by both the Italian Government and GoU co-funding, works stalled in 2018 and eventually the contractor abandoned the sites. • I noted that at the time when the sites were abandoned, USD 415,025.48 had been recovered by the Ministry against the advance leaving a balance of USD 703,551.56. On the other hand, works valued at USD 315,827.87 had been certified. The contractor sued the Ministry for breach of contract. Whereas a reconciliation statement was prepared by the project consultant and shared with the contractor, the latter insisted that the Ministry settles the outstanding amount of USD 315,827.87. This court case had not been disposed by the time of audit. • Whereas the contracts for civil works under Lot 1 and Lot 2 were scheduled to be completed on 16th May 2021, the sites had not been handed over and commissioned by 30th June 2021. Delayed contract execution compromises the timely achievement of project objectives and may lead to cost escalations.
23.	The Italian Support to the Uganda Health Sector Strategic Plan Iii (HSSPIII) and the Peace, Recovery and Development Plan (PRDP) For Northern Uganda Karamoja Region Staff Housing Project (KRSP) Opinion Unqualified	• Out of the total actual receipts of EUR 4,199,750 a sum of EUR 3,691,785.65(88%) had been utilised by 30th June 2022 implying an under absorption of 12% of the total project grant. At the end of the financial year, the project closed with a cash and cash equivalent of EUR 530,266.59. • Whereas the contracts for Lot 1 and Lot 2 were meant to be completed on 16th May 2021, only Lot 1 sites had been handed over and commissioned by end of FY 2021/2022. This implies delays for Lot 2 of 17 months from the planned completion date of 16th May 2021. By December 2022, the sites had not been completed. • In addition, Lot 3 had not yet started thereby occasioning significant delays on this lot 3 and the entire project.
24.	Kayunga Yumbe Hospital Project (KAYUP) FYT June 2021	• I noted that out of the expected receipts of USD.8,643,589.75, the project received funding totalling USD.8,579,596.82 constituting USD.7,769,470.24 from external sources and USD.810,126.58 (UGX. 2,880,000,000) from GoU counterpart

		contribution. Therefore, a budget shortfall of USD.135,657.97 (representing 1.7% of the external funding approved budget) was registered. This has a negative effect on the timely delivery of the planned outputs achievement of project objectives. • Whereas the contract for the supply of medical and Hospital furniture worth USD 1,999,854.56 was initiated in the FY 2018/2019, deliveries had not yet been made by close of the year under review (30th June 2021). In addition, the performance guarantee had expired. Under the circumstances, the intended service delivery is compromised. In addition, the expiry of the bank guarantee exposes the Ministry of Health to a risk of a financial loss in the event that the company fails to deliver. • Three (3) Supplies contracts worth USD 2,582,573.121 for the supply of laboratory equipment had not performed by 30th June 2021 as planned thereby delaying the intended service delivery at both Kayunga and Yumbe hospitals. Failure to ensure timely execution of the project supplies contracts impacts negatively on the achievement of the primary objective of the project of contributing to the delivery of the Uganda National Minimum Health Care Package (UNMHCP), through improvement of health infrastructure at the two hospitals. • During the year under review, the project planned, under component 3, to procure six (6) vehicles (2 Ambulances, 2 mini-buses and 2 pickups) for the two hospitals. Draft contracts were prepared and submitted to the Funds for final approval. However, approval of Draft contracts by the Development funders was yet to be obtained and accordingly clearance from the Solicitor General had not been sought by 30th June 2021. Under the circumstances, the intended project outputs were not attained thereby delaying planned service delivery at the two (2) hospitals. • There were delays by the Funding Agencies in effecting payments due to Contractors and Suppliers for services offered to the project. This led to failure to pay project obligations on time resulting into accrued outstanding obligations of USD 2,361,491.08 of which USD 1,558,909.95 was related to unpaid interim certificates for civil works, USD765,581.13 due to equipment suppliers and USD 3,700 in respect of unpaid Project staff salaries. Low disbursement rate exposes the project to a risk of loss of funds due to unfavourable foreign exchange fluctuations. Furthermore, the project is at risk of having incomplete project components and litigations due to unpaid obligations at project closure.
25.	Uganda Nurses and Midwives Council (UNMC). Opinion Unqualified	• Included in the disclosed receivables of is an amount of UGX444.4Bn which arose out of a Court ruling in favour of Council but had not been realised by the time of reporting. • Although the Uganda Nurses and Midwives Council Act 1996 provides that the Registrar shall publish the names of all registered nurses in the Gazette after the 1st day of January and not later than the 31st day of March in each year, at the time of reporting in December 2022, the Council had not gazetted the names of persons.
26.	Uganda Nurses and Midwives Council (UNMC). 2020/21 Opinion Unqualified	• I noted that a material uncertainty existed regarding the continued operation of Uganda Nurses and Midwives Council in the foreseeable future. This state of affairs is supported with a letter from the Permanent Secretary – Ministry of Public Service to all Accounting Officers Ref: MSD/135/165/01 dated 19th April 2021 in which guidance was provided on the modalities for management of public Institutions during the implementation of recommendations on the rationalization of Agencies and Public Expenditure. • I noted that during the year under review, management made the necessary adjustments to the opening reserves and receivables (1st July 2020) to recognize the unaccounted for advances of UGX 1,274,315,720 which formed a basis for qualification of opinion on the Council's financial statements for the Financial Year ending 30th June 2020.

		• Council sued RAM Engineering and Stanbic Bank in a fraudulent case worth UGX 444,400,000 and the case was ruled in favor of UNMC. In the court ruling dated 4th October 2021, a garnishee order for refund of UGX.444,400,000 was issued against the respondent and the bank jointly and, or severally. I further noted that costs of the application were awarded to Uganda Nurses and Midwives Council (the Applicant). During the year under review, management made the necessary adjustments to the financial statements in the form of a receivable of UGX 444,400,000 and further disclosed a contingent asset in the form of interest and costs of the application. By the end of the year under review, funds were yet to be recovered as per the court ruling. • On 3rd July 2020, management fixed a sum of UGX. 4,370,100,000 (UGX 4,000,000,000 and USD 100,000) with Standard Chartered Bank for 6 months with approval of the Governing Council vide resolution No. 11 under minute Ref: FC/16/26/06/2020 of the 7th full Council Virtual meeting held on 24th, 25th and 26th June 2020. Council earned interest income of UGX.163,429,767 that was credited on Standard Chartered Bank A/c No. 0102086768300 on 2nd January 2021. In addition, a sum of UGX 4.5bn was fixed on 21st June 2021 with the same bankers. I noted that the investment decisions were made without the guidance envisaged under a resource mobilization strategy. Furthermore, an investment register was not availed for audit verification.
27.	Uganda Medical and Dental Practitioners Council. Opinion Unqualified	• Due to Government reforms to rationalize Government agencies and public expenditure, there exists a material uncertainty that may cast significant doubt that the Council shall remain a Going Concern in the foreseeable future. • I observed that whereas the Council's potential revenue from members was UGX.2,336,864,180, only UGX.2,094,087,170 was budgeted for leaving UGX.242,777,010 unbudgeted for. The Council has not established a mechanism to collect and update information in the register of members so as to have reliable data to inform the revenue budgeting process. • The Council collected Non – Tax Revenue of UGX.1,846,419,724 against a budget of UGX.2,094,087,170 leading to under collection of UGX.247,667,446. • Contrary to section 32(1) of the Medical and Dental Practitioners Act, 1998, that requires inspection/supervisory visits to be undertaken by the office of the Registrar at least once in every quarter of the year, I noted that inspection visits of health facilities were done once in the year and only 155 out of 1,523 health units were inspected. This can lead to complacency and compromise standards of health practitioners thus affecting the lives of patients.
28.	Uganda Medical and Dental Practitioners Council. Opinion Unqualified 2020/21	• I noted that the council has an approved staff establishment of 28 positions. However, only 16 positions (representing 57%) were filled leaving 12 positions (43%) vacant. Under the circumstances, the existing staff are exposed to a risk of job-related stress which could negatively affect service delivery. • Uganda Medical and Dental Practitioners council had four (4) motor vehicles. The council did not have a policy on Motor Vehicle Management to guide the usage of its fleet of four (4) vehicles so as to eliminate theft, losses, wastage and misuse. • None of the four (4) vehicles owned by the council was inspected during the year under review. Under the circumstances, there is a risk of unforeseen mechanical failures that would expose the users of such vehicles to road accidents. • I noted that the three (3) drivers employed by the Council had not undertaken additional training to obtain additional skills and were not subjected to annual medical examination to ascertain their fitness to drive.

		• I noted that as part of Management's responsibilities for the Financial Statements outlined on Page 6 of the Financial Statements, the Accounting Officer stated that a material uncertainty existed regarding the continued operation of Uganda Medical and Dental Practitioners' Council in the foreseeable future. Management's judgement was informed by a letter Ref: MSD/135/165/01 dated 19th April 2021 from the Permanent Secretary – Ministry of Public Service to all Accounting Officers. In this letter, guidance was provided on the modalities for management of public Institutions during the implementation of recommendations on the rationalization of Agencies and Public Expenditure.
29.	The Rehabilitation and Expansion of Kayunga and Yumbe Hospitals Project (KAYUP) -BADEA No. 0761, OFID No. 1628P and SFD No. 6/620 – Ministry of Health Project. <u>Opinion</u> Unqualified	• The total loan disbursements from the 3 external funding agencies amounted to USD 34.427Million by 30th June 2022 representing 93% of the approved loan of USD 37 million. The balance of USD 2.572 M had not been disbursed • By 30th June 2022, the project registered outstanding obligations of USD 1,615,332.06 due to delays in payment by the funders
30.	Uganda-Spain Debt Swap Project. June 2021 <u>Opinion</u> Unqualified	• Whereas the project had a closing cash balance of USD 1,355,619.94, I noted the existence of outstanding claims from Excel Construction Ltd worth USD 1,414,640 and M/S ISDEFE (consultant) of Euros 88,437.97. This state of affairs affects the implementation of planned project activities which ultimately leads to delayed service delivery. • There was a delay in the refurbishment of Busolwe General Hospital whose proposed scope was estimated to cost USD 5,532,792.38. This is despite the fact that the consultant so far has been paid EUROs 155,108 since December 2017. Delayed implementation of the project activities and disbursement of funds attracts commitment charges. In addition, these delays may result into cost overruns on the entire project.
31.	Butabika National Mental Referral Hospital. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.18.77Bn, only UGX.18.02Bn was spent by the entity resulting in an unspent balance of UGX.0.762Bn representing an absorption level of 96%. As a result, I noted that out of the 20 quantified activities worth UGX.16.4Bn assessed; 18 activities representing 90% were fully implemented, 2 activities representing 10% were partially implemented. • I noted an encroachment of up to 11.30 hectares on the hospital land by over 2,000 families/households. In the circumstances, management is constrained in the effective delivery of the Hospital mandate. • I noted that a number of critical medical equipment had been faulty for quite a long time without repair and or replacement of their spare parts rendering them redundant. An X ray machine had broken down since January 2022 • UGX.55,427,002 had not yet been paid to pensioners by the year end hence the pensioners' livelihood is negatively affected. • Out of an approved staff structure of 531 positions, the Hospital has only 410 (77%) positions filled, leaving 121 (23%) positions vacant

		• Although the Hospital has an official bed capacity of 550, I noted that the bed occupancy rate was 150% and that the Hospital was handling over 1,000 in-patients on a daily basis. • The entity has two Information technology systems, that is, the internally developed Medical Records Management System (MRMS) and the Health Management Information System (HMIS) which were not integrated and therefore not automatically sharing information with each other which leads to duplications and inefficiencies and affects service delivery. • 143 IT equipment which had exceeded the recommended 3 year useful life and recommended for decommissioning by the Board of Survey were not disposed of.
32.	Kawempe National Referral Hospital. <u>Opinion</u> Unqualified	• Out of the total receipts for the financial year of UGX.13.168Bn, the Hospital spent UGX.13.030Bn resulting in unspent balance of UGX.0.139Bn representing an absorption level of 99%. The unspent funds were meant for payment of salary and furniture and fittings. • 26 quantified activities worth UGX.11.557Bn were assessed and established that 23 activities representing 88% were fully implemented while 3 activities representing 12% were partially implemented. • Funds to the tune of UGX.47,111,540 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Out of the payables of UGX.932,927,785, UGX.669,602,626 owed to UMEME Ltd have been outstanding for the last 3 financial years while UGX.263,325,159 owed to BHL Healthcare Ltd has existed for the last 2 financial years. • The Hospital did not pay gratuity worth UGX.167,487,795 to three (3) pensioners as by the close of the financial year. • Although the hospital had an established staffing level of 889 only 296(33%) positions were filled leading to an understaffing of 585 (67%). • Although the Hospital deployed two (2) information systems (Integrated Hospital Management Information System and Open Electronic Medical record system) they did not have any automated interface mechanisms to share information (integrated). This leads to duplication and inefficiency. • A review of the ICT governance structure of the entity revealed that there was no specific structure that steers and oversees ICT implementation and approved IT risk management framework/policy. e Hospital contracted M/S Toyota Uganda Limited (CFAO Motors Uganda) to supply two double cabin Pickups at a contract sum of UGX.433,432,126. I however noted that although the entire contract amount was paid only one double cabin pickup had been delivered by the time of reporting, almost 6 months late.
33.	Kiruddu National Referral Hospital. <u>Opinion</u> Unqualified	• Out of the total warrants for the financial year of UGX.21.287Bn, only UGX.20.656Bn was spent by the entity resulting in an unspent balance of UGX.0.63Bn (representing an absorption level of 97.6%). As a result, of the 30 quantified activities worth UGX.20.7Bn assessed; 22 (73%) activities were fully implemented, 4 (13%) activities were partially implemented while 4 (13%) activities were not implemented.

		• I observed that Plot 3927 Block 273 and plot 1774 block 255 at Kiruddu-Makindye in Kampala District where the Hospital premises and treatment plant has land titles registered in the names of Kampala Capital City Authority but not in the Hospital name which may result into encroachment, disputes and loss of public land. • Included in reported payables balance of UGX.458,284,964. is a long-outstanding obligation of UGX.94,372,000. in respect of special meals served in FY 2019/20. I observed that management did not budget for the settlement of domestic arrears during the year under review. The Hospital is at risk of litigation and eventual payment of fines which may result into a financial loss. • Out of 830 approved positions; only 293 (35%) posts were filled, leaving 537 (65%) positions vacant. Included in the 537 vacant positions are critical positions such as Director surgical services, 36 consultants and 20 senior consultants. • I observed that a total of three (3) IT systems were not being optimally utilized by the entity and the Integrated Hospital Management System (IHMS) running in the Hospital is not owned by the entity. In addition, the Hospital's IHMS is not integrated or automatically sharing information with other systems. This leads to redundancies, duplications and inefficiencies. • A review of drugs supply chain management revealed that on several occasions there were drug stock outs which left Kiruddu NRH without several essential, vital and necessary drugs. Drugs stock outs are potentially dangerous to the lives of patients.
34.	National Drug Authority. Opinion Unqualified	• Out of the total expenditure budget of UGX.104.8bn, only UGX.85.7bn was spent by the entity resulting in an unspent balance of UGX.19.1bn representing an absorption level of 82%. • I assessed the implementation of a sample of forty three (43) activities with a total of one hundred twenty four (124) targets worth UGX.73.9Bn and noted that twenty three (23) activities with fifty one (51) targets and expenditure worth UGX.43.7Bn were fully implemented, twenty (20) activities with seventy three (73) targets worth UGX.30.2Bn were partially implemented. Out of the seventy three (73) targets, the entity fully achieved forty (40) targets; thirty two (32) targets were partially achieved, while one (1) target was not achieved. • The Authority had long outstanding receivables from Ministry of Health and tenants to the tune of UGX.43,210,405,917 and UGX.131,298,624 respectively. Receivables represent idle assets which deny the entity availability of funds for prompt service delivery. • I note that out of the four (4) pieces of land measuring approximately 2.537 hectares held, one (1) piece of land located on Block 423, plot 13 in Busiro County (measuring approximately 1.619 hectares) had encumbrances in the form of encroachment by the local population. Encumbrances hinder management's ability to utilize the land and pose a risk of loss of land. • I noted that NDA has four (4) IT systems which were neither integrated nor automatically sharing information amongst each other and with other government systems.
35.	Uganda Covid-19 Response and Emergency Preparedness Project (UCREPP)	• The project with a funding of USD. 12.5M has a completion date of 31st December 2022. I established that the Project managed to achieve, on average, only 10% of what it had planned to do during the period under review implying non-achievement of 90% of the approved budget and work plan.

	Opinion Unqualified	• During the period, UGX. 258,159,000 was disbursed to two hospitals, however only UGX. 210,593,083 had been utilized leaving a balance of UGX. 47,565,917 not utilized.
36.	Uganda National Health Research Organization. Opinion Unqualified	• Management did not appraise their staffs for the year under review. • Although the Organization's employees are entitled to benefits such as membership to the provident fund scheme, staff insurance and annual leave, management did not pay any of the benefits during the year under review.
37.	Uganda Blood Transfusion Services (UBTS). Opinion Unqualified	• Out of the total receipts for the financial year of UGX.19.3Bn, only UGX.18.83Bn was spent by the entity resulting in an unspent balance of UGX.0469Bn (representing an absorption level of 98%). As a result, of the (27) activities worth UGX.17.742Bn assessed; 25 activities representing 92% were fully implemented, 1 activity representing 4% was partially implemented while 2 activities representing 8% were not implemented at all. The unimplemented activities related to non-payment of employee costs and domestic Arrears • Two (2) regional office buildings of UBTS in Mbale and Fort portal were constructed within the regional hospitals land without land titles or signed memoranda of understanding. In the circumstances, UBTS could lose infrastructural investments in case of future disagreements. • Plot 2F on Nakasero Hill Road which houses the Headquarters of UBTS was encroached upon by a Hotel by way of a wall fence covering a total area of 0.079ha. • UGX 955,195,790 was reported as payables of which UGX.624,097,536 was accrued during the year. The payables arose from over commitment beyond the approved estimates as appropriated by Parliament for the financial year. • Out of 424 approved staff positions only 286 (67%) posts were filled, leaving 138 (33%) positions vacant. • I noted that whereas a contractor for the remodelling and expansion of a store at Nakasero prepared and submitted building plans to UBTS, there was no evidence that these plans had been submitted to KCCA and subsequently approved. Implementation of unapproved building plans poses a risk of financial loss in the event that the responsible Authority (Metropolitan Authority/KCCA) refused to approve the plans and directed the demolition of the works already done. • Records of 313,975 units of blood collected and recorded on the Blood Safety Information system indicated that 252,178 units of blood were dispatched to 488 health units. However, there was no record of blood received and issued by health Units on the District Health Information System (DHIS2) to enable verification of data entered in the DHIS2. Tracing of blood to the 'last mile' or user becomes difficult and renders the accountability cycle for the blood units incomplete.

38.	Uganda Virus Research Institute. <u>Opinion</u> Unqualified	• Out of the approved budget of UGX.15.939Bn, UGX.15.536Bn was warranted resulting in a shortfall of UGX.0.403Bn (representing 2.53% of the approved budget). The activities that were affected by the budget cuts included travel abroad (UGX.0.156Bn), validation of pensioners (UGX.0.012Bn) and workshops (UGX.0.235Bn). • Out of the total warrants for the financial year of UGX.15.536 Bn, only UGX.15.323Bn was spent by the entity resulting in an unutilized warrant of UGX.0.213Bn (representing an absorption level of 98.6%). As a result, I noted that of the thirty-one (31) quantified activities worth UGX.14.51Bn assessed; twenty-nine (29) activities (representing 87%) were fully implemented and two (2) activities (representing 13%) were partially implemented. • The Institute did not have land titles for the four (4) pieces of Land under its use. I further established that apart from Kamwanyi land measuring about 1.416 hectares and the UVRI Headquarters land measuring about 29.137 hectares, management was not certain of the size of the land in Arua and at Zika Forest. Lack of Land titles could result into encroachment, disputes and loss of public land. • The reported payables of UGX.202,811,084 relating to property tax that the Institute owes Entebbe Municipal Council have been outstanding since FY 2010/11. Under the circumstances, the entity runs a risk of litigation that could result in a financial loss in the form of penalties. • Contrary to PPDA Regulations, contract managers did not submit monthly reports to the Accounting Officer on the progress of contracts worth GBP.7,938.63; USD.33,473.07 and UGX.3,280,937,286. Failure to monitor the progress of contracts increases the risk of poor contract performance as gaps are not identified early for remedial action.
39.	National Medical Stores. <u>Opinion</u> Unqualified	• Out of the NTR estimate of UGX.56.38Bn, NMS realized only UGX.45.086Bn representing a performance of 80% of the target and a shortfall of UGX.11.265Bn. • According to the GOU approved budget, NMS was supposed to receive UGX 600.314Bn out of which UGX.589.056Bn was warrantied resulting in a shortfall of GoU funding of UGX.11.258Bn. Essential drugs could thus not be procured. • The value of Non-Viable Stock rose from UGX.5,161,429,000 (FY 2020/21) to UGX.13,418,720,000 composed of expired and unused drugs, gloves and other items resulting into increases the costs involved in destruction and denial of essential drugs to the population. • Management reported a provision for doubtful debts to the tune of UGX.25,891,381,000 composed of debts that appear irrecoverable but efforts to have MoFPED approve the write-off have not been successful. • Management presented the status of twelve (12) court cases for and against NMS as part of the contigent liabilities. However, three (3) of the court cases stretch to over 10 years (from 2008) without any ruling by the Courts of Law. • The ERP system (NMS+) which is used to undertake the roles of warehousing, finance, procurement, audit and fleet management was not integrated nor automatically sharing information with other government systems such as IFMS, Human Capital Management and e-Government procurement. This leads to duplications and inefficiencies.

		• Three IT systems i.e. MACS, SAGE and NAVISION were not being used at the time of audit but had not yet been decommissioned. There is need for management to ensure data integrity and completeness during decommissioning.
40.	Uganda Heart Institute. Opinion Unqualified	• Out of the NTR estimate of UGX.6Bn, the Institute realized UGX.6.485Bn representing a performance of 108% of the target hence the need for the Institute to review its revenue targets. • Out of the total warrants for the financial year of UGX.29.216Bn, only UGX.28.873Bn was spent by the entity resulting in an unspent balance of UGX.0.343Bn (representing an absorption level of 98.8%). As a result, I noted that of the 37 quantified activities worth UGX.14.365Bn assessed; 18 activities (49%) were fully implemented, 18 activities (49%) were partially implemented while 1(one) activity remained unimplemented. • I observed that land measuring 4.0470 hectares owned by the entity in Naguru had been encroached upon. Encumbrances hinder management's ability to utilize the land and pose a risk of loss of land. • UGX.2,429,618,348 was assessed by URA as outstanding tax obligation (PAYE) arising from wrong deduction of taxes from professional allowances at 6% instead of 30% as per sec 19 (1) a of the Income Tax Act. Management has started implementing the tax rates but it has resulted into low morale with some professional employees leaving the Institute which may in the long run affect its ability to effectively deliver on its mandate. • I noted that UHI has a Hospital Management Information System (HMIS) for patient management and other ancillary services in the OPD, Theatre, Cath Lab, IPD, Lab and other ancillary services. Despite the fact that the system is meant to share information to aid the smooth running of the entity, the system operates in isolation of other systems such as IFMIS and Human Capital Management (HCM) system of Ministry of Public Service. This leads to duplications and inefficiencies • I observed that there were no factory trainings conducted for users and engineers (technicians) for some of the equipment procured by the Institute which makes the equipment susceptible to breakdown and prolonged down time. • I noted that some vital medical equipment was inadequate according to the bio-medical department analysis and recommendation, while others were due for replacement. This compromises the level of service to patients • Out of the 10 (ten) items selected as tracer Essential Medicines at the Institute, three (3) experienced stock-outs ranging from 40 to 45 days. In addition, the Institute had some expired medicine which had no designated holding area; and were kept together with medicines still under use. This poses a high risk to the patients.
41.	Mulago Specialized Women & Neonatal Hospital. Opinion Unqualified	• Out of the approved budget of UGX.25.88Bn, UGX.25.34Bn was warranted resulting in a shortfall of UGX.0.54Bn representing 2.1% of the approved budget. • Out of the total warrants for the financial year of UGX.25.34Bn, only UGX.24.96Bn was spent by the entity resulting in an unspent balance of UGX.0.38Bn representing an absorption level of 98.5%. As a result, of the six (6) quantified activities worth UGX.4.59Bn assessed; five (5) activities (representing 83%) were fully implemented and one (1) activity was partially implemented.

		• UGX.785,971,835 that was deducted from staff salaries in respect of PAYE was not remitted to Uganda Revenue Law contrary to the Income Tax Act. • Out of the total receipts for pension for the financial year of UGX.11,059,648,812; UGX.11,009,275,358 was spent by the entity resulting in an unspent balance of UGX.50,373,454. Non-payment of pension leads to accumulation of arrears and affects the livelihood of the pensioners. • UGX.57,495,264 was deducted from staff salaries in respect of Local Service Tax (LST) but was not remitted to the respective local governments. • The Hospital had four (4) systems (HMIS, RX solution, IPPS and IFMS) which were not integrated or not automatically sharing information with other systems. • Seventy-one (71) IT equipment that had exceeded the recommended useful life and recommended for decommissioning by the board of survey had not been disposed of. • Splitting of procurements was observed during the procurement of oxygen analyser, paramagnetic analysis TCP/IT module, condensate drain system-900, non-return valves, cylinders, trolleys and head bars and medical gas plant contrary to Section 58 (d) of the Procurement and Disposal of Public Assets Act, 2003. I also observed that direct procurement was used without justification. • I observed that the fridges that store cold chain medicines are housed in a non-ventilated room thereby retaining the heat emitted from them which could damage the medicine and shorten the life span of the fridges.
42.	Mulago National Referral Hospital. Opinion Qualified	• Domestic arrears to the tune of UGX.1,384,692,974 paid during the year were recognized as part of the Statement of Financial Performance instead of the Statement of Appropriation Account contrary to the Financial Reporting Guide 2018. In addition, the amount was not disclosed in prior periods implying that they were not verified and reconciled with the balances on the database maintained by the Accountant General's Office. • Records for expenditure worth UGX.1,041,373,039 were missing on file at the time of audit. • Pension and Gratuity worth UGX.387,436,568 was not paid to fifteen (15) pensioners and retirees. • Out of the total warrants of UGX.74.580bn received during the financial year, the entity submitted invoices totalling UGX.72.183Bn resulting in un-utilized warrants of UGX.2.394Bn representing an absorption level of 96.8%. Recruitments of staff were thus not undertaken as funds were released late in May 2022. • I assessed the implementation of a sample of eight (8) outputs that had been fully quantified with a total of fourteen (14) activities worth UGX.50.683bn and noted that seven (7) outputs with thirteen (13) activities and expenditure worth UGX.45.883bn were fully implemented while One (1) output with one (1) activity worth 4.8bn was partially implemented. • Funds to the tune of UGX.1,177,688,181 were diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals.

		• The entity had 27 pieces of land measuring approximately 75 hectares at the reporting date. However, management did not avail documentation to confirm the size, date and cost of acquisition, ownership and the location of the land. Similarly, the Hospital did not have Land titles for 22 pieces of land whose size the hospital could not ascertain. • Six (6) pieces of land whose hectares and value could not be established due to management's inability to avail the information had encumbrances in the form of caveats, court injunctions and encroachment. Similarly, some entities on the land had obtained title deeds without the consent/approval of the Hospital. • For a sample of 463 key medical equipment in the Hospital, I noted that 46 were non-functional, 4 semi-functional and 413 are functional. • In 2019, the Ministry of Health installed RX Solution, an electronic pharmaceutical management system in the stores with the objective of automatically submitting data to the MoH PIP system for stock status reporting. However, although the RX solutions had been installed on the Hospital computers in the store it was not being used by the stores staff. • Hospital has six (6) systems which were not integrated and not automatically sharing information with other systems. As such, information sharing was purely manual despite being explicitly provided for in the respective system requirements. • Direct procurements worth UGX.571,826,881 were undertaken by the Hospital without justification while a total of UGX.777,307,880 procurements were irregularly undertaken during the year.
43.	Allied Health Professionals Council (AHPC). <u>Opinion</u> Unqualified	• Out of the availed funds of UGX.4,487,551,000 during the financial year, UGX.4,197,663,000 was spent resulting into an unspent balance of UGX.289,888,000 representing absorption level of 93.5%. • Out of twenty (20) activities worth UGX 0.514Bn assessed, six (6) outputs with six (6) activities and expenditure worth UGX.0.298Bn were fully implemented, five (5) outputs with five (5) activities worth UGX.0.216Bn were partially implemented while nine (9) outputs with nine (9) activities could not be assessed because they were not reported on in the annual performance report of the entity. • UGX.30,425,166 was irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Council reported land and building in the financial statements originally acquired at UGX.609,000,000. Whereas buildings were revalued to UGX.750,000,000 in 2022, the value of land remained at historical cost of UGX.370,881,000 implying that the land value disclosed in the financial statements was misstated. • Receivables of UGX.601,300,000 in respect of fees due from registered and licensed clinics & Laboratories Private Practice have been outstanding for more than one financial year. • AHPC has two donated IT systems whose cost could not be ascertained and had no clearance from NITA-U. The two systems were also not interfaced.

44.	Health Service Commission. 2021/22 Opinion Unqualified	• Out of the total receipts for the financial year UGX.8.088Bn, the Commission spent UGX.7.744Bn resulting in unutilized warrants of UGX.0.343Bn (representing an absorption level of 95.75%). As a result, I noted that out of the 19 quantified activities worth UGX.7.309Bn assessed; 7 activities representing 37% were fully implemented while 12 activities representing 63% were partially implemented. • On 31st March 2015, Butabika Hospital Management Board permitted the Commission together with four (4) other government entities to utilise three acres of Butabika Hospital land on a lease to construct office premises. However, by close of the year under review, no action had been taken by the Commission despite its current substantial annual rent expenses of UGX.680,000,000. • I noted that although the Board of Survey recommended twenty-seven (27) IT equipment valued at UGX.63,300,000 for decommissioning in the financial year 2021/22, no disposals had been made. • Out of 79 positions only 52 are filled leaving 27 positions vacant.
45.	Uganda AIDS Commission. Opinion Unqualified	• According to the revised approved budget, the entity was supposed to receive UGX.14.736Bn however UGX.14.551BN was warranted resulting into a revenue shortfall of UGX. 0.185Bn. • The Commission received off-budget financing to a tune of UGX. 939,268,646 which was not declared to Treasury and therefore not appropriated by Parliament • Although UAC did not budget to collect NTR during the year under review UGX.40,180,000 was collected as NTR. • I reviewed the implementation of nine (9) outputs that were fully quantified with a total of forty-four (44) activities worth UGX.14.55Bn and noted that the reported performance at activity level was not aligned with the planned performance. As a result, it was difficult to assess the level of implementation of the planned out puts. • UGX.13,347,458 was irregularly diverted from workshops and seminars code and spent on staff lunch without seeking and obtaining the necessary approvals. • The entity had reported payables of UGX.76,162,182 which have been accumulating since July 2005.
46.	Ministry of Health. Opinion Unqualified	• Out of the UGX.243.62Bn total funds available for spending, only UGX.33.14 (13%) was spent by the Corporation leaving a balance of UGX.210.48Bn representing 87% under absorption. The low absorption was attributed to the supplementary funding that was approved during the financial year and only availed towards year-end. Delayed receipt and utilization resulted into delays in service delivery. • I noted that there is slow progress on the takeover of Government interests as listed in Schedule 2 of the UDC Act 2016, which identified seven Government undertakings that were to be taken over. I noted that only two companies (i.e. Phoenix Logistics and Tri-Star Apparels Ltd) had been transferred to UDC. The remaining five, namely; Amber House Limited, Embassy House, Development House, Munyonyo Commonwealth Resort and Nile Hotel International Limited were still outstanding. Delays undermine the implementation of the UDC Act 2016 and undermine the public policy of streamlining the management of these corporations • The Corporation has been holding 2 pieces of land measuring approximately 6.932 hectares without land titles for a long time without justification, exposing the corporation to the risk of loss of land thru land grabbing and encroachment.

		• Uganda Development Corporation (UDC) entered into a number of contracts worth UGX.2.7Bn with various suppliers without conducting market price assessments. This was contrary to the procurement law and exposed the entity to a risk of obtaining services at uncompetitive prices. • Out of the 70 established posts in the UDC structure, only 49 are filled (70% staffing level) and 21 positions were vacant representing 30%. I further noted that among the vacant positions were significant/priority positions such as the Director of Internal Audit, Manager Investment (mining and manufacturing), and Manager Investments Appraisal among others. Inadequate staffing levels affect the level and quality of service delivery by the Corporation and may compromise the principle of segregation of duties.
	LEGISLATURE	
1.	Parliamentary Pension Scheme. Opinion Unqualified	• I noted that the bank reconciliations from June 2021 to September 2021 were not correctly done. There were un-reconciling differences between the cashbook and the bank statement balances. In addition to this, the bank reconciliations provided for my review lacked evidence of review and approval by senior management. • I noted that the project field staff allowances were not charged PAYE tax. Non-compliance with Income Tax Act may precipitate tax penalties from Uganda Revenue Authority, leading to financial loss for the project. • I noted quarterly reports were not submitted to CDC on time. Late submission of reports may delay reporting, monitoring and evaluation of the project by the development partners.
2.	Parliamentary Commission. Opinion Unqualified	• Out of the total receipts for the financial year of UGX.822.278Bn, only UGX.818.533Bn was spent by the entity resulting in an unspent balance of UGX.3.744Bn representing an absorption level of 99.5%. As a result, I noted that out of 27 quantified activities worth UGX.703.275Bn assessed; 21 activities representing 77.7%, were fully implemented, and six activities representing 22.3%, were partially implemented. • I noted that completed physical works for the New Parliamentary Chambers stood at 53%, which is only an increase of 20% from the previous year at 33%. In addition, the contractor stated that works could not be completed by the end of the contract, i.e. May 2023. • A review of ICT activities implemented revealed the following; non-optimal utilization of IT system, absence of IT risk management framework/policy and use of an old IT staff structure. • I noted that the Commission did not maintain an updated asset register as required and had not implemented the disposal/divestment plans and recommendation of the Board of survey reports for the last four (4) financial years.

ANNEXURE II: REPORTS AND CONSOLIDATED GOVERNMENT OF UGANDA FINANCIAL STATEMENTS