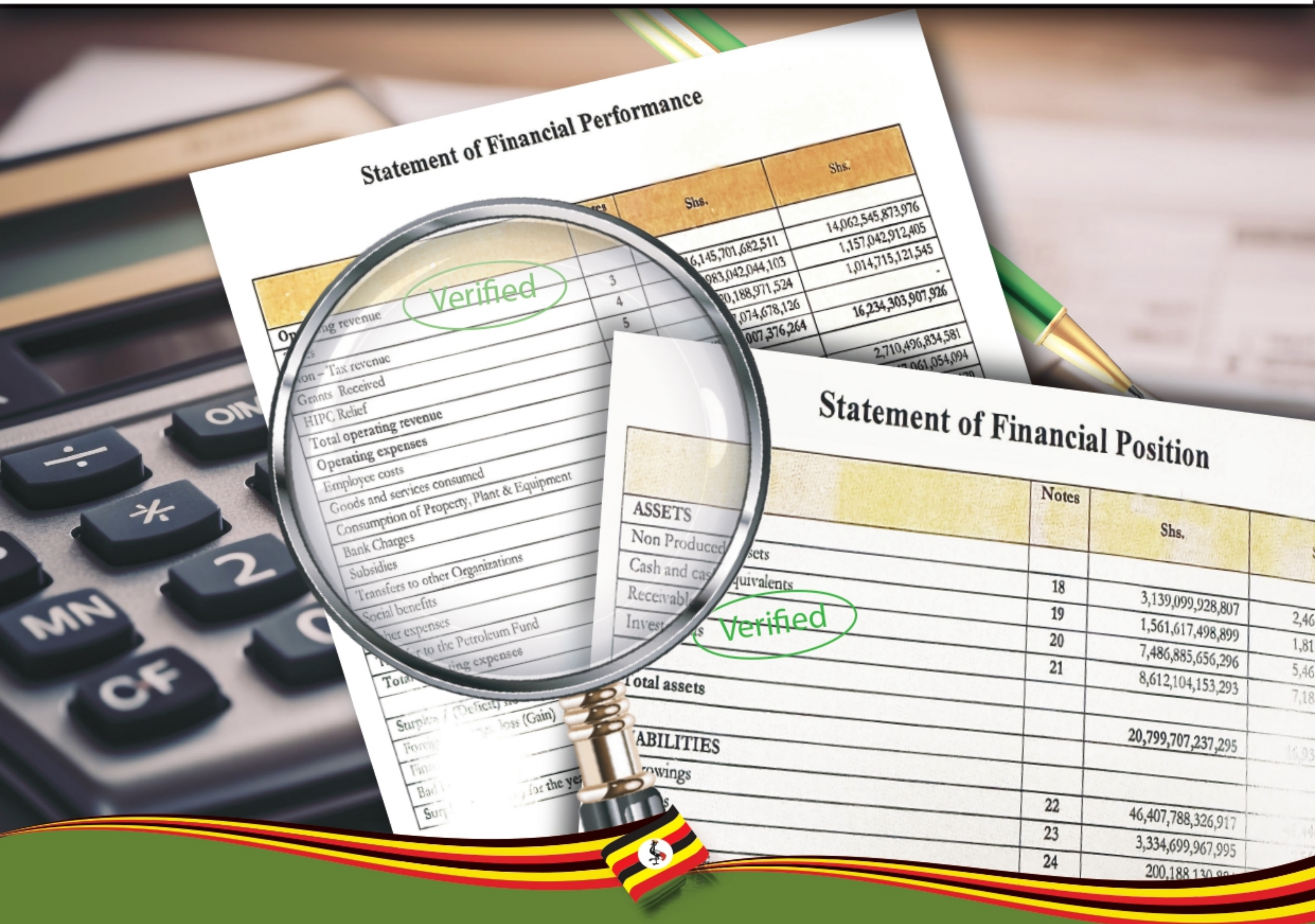
Office of the Auditor General

THE REPUBLIC OF UGANDA



ANNUAL REPORT OF THE AUDITOR GENERAL TO PARLIAMENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

CONSOLIDATED AUDIT FINDINGS

DECEMBER 2023

THE REPUBLIC OF UGANDA

REPORT OF THE AUDITOR GENERAL TO PARLIAMENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

OFFICE OF THE AUDITOR GENERAL
UGANDA

DECEMBER, 2023

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LIST OF ACRONYMS

ACRONYM	MEANING
ACU	Anti-Corruption Unit of State House
AG	Auditor General
AO	Accounting Officer
BFPs	Budget Framework Paper
Bn	Billion
BoU	Bank of Uganda
CAs	Contracting Authorities
CFR	Central Forest Reserve
CGV	Chief Government Valuer
DGAL	Directorate of Government Analytical Laboratory
DLB	District Land Board
E-LogRev	Electronic Local Government Revenue Collection System
ENT	Ear Nose Throat
FY	Financial Year
GDP	Gross Domestic Product
GoU	Government of Uganda
HSC	Health Service Commission
ICS	Infra Consulting Services
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
MoH	Ministry of Health
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
NSACARJA	Nsambya Carpentry, Joinery, Craft and Training Agency
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

ACRONYM	MEANING
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
UNRA	Uganda National Roads Authority
URA	Uganda Revenue Authority
URMCHSIP	Uganda Reproductive Maternal and Child Health Service Improvement Project
USD	United States Dollars
USMID	Uganda Support for Municipal Infrastructure Development
WMD	Wetlands Management Department
YIGs	Youth Interest Groups
YLP	Youth Livelihood Programme
ToTs	Trainer of Trainers
HLG	Higher Local Government
iHRIS	Integrated Human Resource Information System
DiFRs	Directorrate of Fisheries and Resources
BoQs	Bill of Quantities

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-budget 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 Government of Uganda Consolidated Financial Statements, and the Financial Performance of Public Corporations, State Enterprises and Companies in which Government has a controlling interest.

In line with the above mandate, I audited financial statements for 162 MDAs, 59 Statutory Corporations and 2,278 Local Governments. Pursuant to my Office's strategic objectives to enhance the relevance of the audits for improved transparency, accountability and service delivery, I undertook three (3) thematic audits covering Implementation of the Approved Budget, salary payroll management across Government of Uganda, and Implementation of the Parish Development Model (PDM). Relatedly, I undertook a Public Finance Management Assessment in seven (7) entities as a pilot audit.

I further undertook several audits in response to stakeholder needs and emerging issues. These included: 386 special audits and investigations, 25 value for money audits, and seven (07) engineering audits (Construction civil works). Notable among these, was the special audit of the salary payroll across Government, which necessitated commitment of significant resources especially time and staff, as well as invaluable support from other stakeholders, including the Ministries of Finance Planning and Economic Development and that of Public Service, the Service Commissions, National Identification and Registration Authority, as well as the Uganda Bureau of Statistics.

I wish to extend my gratitude to the Parliament of the Republic of Uganda, as well as all other stakeholders, who have contributed variously in the enhancement of the OAG's capacity to deliver the audits. I also extend my appreciation to all my staff for their selfless efforts towards delivering audit results that continue to promote good governance for better service delivery.

John F. S. Muwanga
AUDITOR GENERAL

29th December, 2023

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 1995 Constitution of the Republic of Uganda and Section 13 and 19 of the National Audit Act 2008 and the Public Finance Management Act, 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 requires me to conduct Financial, Value for money, Engineering, Information Systems, Special, Government investments Procurement audits, Treasury Memoranda and Gender and Environment and any other audits in respect of any project or activity involving public funds, Classified expenditure audits.

Article 163 (4) of the 1995 Constitution of the Republic of Uganda, requires me to audit and submit accounts to Parliament annually for the year immediately preceding. This report is submitted in compliance with the constitutional provision.

1.2 Purpose

The purpose of this report is to provide a summary of audit results for the audits I conducted from the period of January to December 2023. These include;

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

- GOU Consolidated Financial Statements of the Government of the Republic of Uganda for the financial year ended 30th June 2023

- The Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises for the financial year ended 30th June 2023.

(ii) A summary of audit results from audit of thematic areas.

(iii) Programmatic and cross cutting findings, implications and recommendations from the audit of Ministries, Departments, Agencies, Commissions, Statutory Corporations and Local Governments.

(iv) A summary of other specialized audit findings which include IT and Engineering audits conducted during the year.

(v) A summary of value for money audits conducted during the year.

(vi) A summary of results of a Performance Management Assessment piloted in Seven (7) Government institutions.

1.3 Changes in reporting resulting from accountability and budget reforms

For the period under review, the Government of Uganda implemented two major reforms in budgeting and accountability to enhance service delivery, accountability and transparency. These reforms include the following;

a) Implementation of Program based budgeting

The GOU introduced program-based planning and budgeting during the development of the NDPIII. All the GOU bodies' development plans were prepared basing on the program-based planning. The program-based budgeting only took effect in the FY 2022/23 budgeting. As a result, this report has been prepared, taking into account of this reform.

The program-based budgeting structure allocates resources by program or functional area, in alignment with the national development plan. I have structured this report in accordance to the program allocations, which presents a summary of the audit observations.

b) Changes in GoU Financial Reporting Framework

For the first time, Local Government (LG) Votes have been consolidated along with the accounts of Central Government (CG) Votes, on a line-by-line basis, a departure from the previous consolidations, where the total amount to LGs was expensed as a block figure. This is a result of harmonization of the basis of accounting for both central and local government votes, in addition to the introduction of the Treasury Single Account to manage the payments of both CG and LG entities. In addition, the reporting framework has been enhanced, affecting the recognition and reporting of assets, government projects have been consolidated in respective MDALG Financial statements, except for those left with one year to close.

The Accountant General made changes to the Chart of Accounts to accommodate the programs in budgeting and accounting. As such, the financial statements have been prepared taking into account of the changes in the Chart of Accounts.

1.4 Summary of Audit Results

1.4.1 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 2023 Audit Year. The Office had a total population of 17,639 entities, of which 3,302 were profiled for audit during the year under review. 14,337 unprofiled entities comprised of 14,302 (99.8%) schools in various categories and 34 from other categories. The audits which were not profiled were not planned for auditing.

The profiled planned audits of 3,302 were revised to 3,715 out of which a total of 3,154 (84.9%) were conducted and completed. The remaining 561 audits could not be finalised in time for reporting due to resource constraints resulting from the Payroll Special Audit. The Payroll Audit required committing the entire human resources on the exercise and encroached on the time required to undertake other planned audits.

Table 1: Summary of Performance

Type of Entity/Audit	Planned Audits for the audit year 2023	Revised Planned Audits for the year 2023	Actual Performance as at 31st December, 2023	Audits in Progress
MDAs	145	166	162	4
Funds	5	5	5	-
Classified entities	13	39	14	25
International Audits	2	2	-	2
Commissions, Statutory Authorities and State Enterprises	76	63	59	4
Projects	179	217	209	8
PSAs	4	10	3	7
Districts	135	135	135	-
Municipal Councils and Cities	41	41	41	-
Divisions	20	20	-	20
Lower Local Governments for 2021/2022 and Backlogs	1,297	1,744	1,556	188
Regional Referral hospitals	16	16	14	2
Schools/Tertiary institutions	381	766	532	234
Forensics/Special Audit	62	429	386	43
VFM Studies	23	33	25	8
Engineering Audits	7	14	6	8
IT Audits	8	9	5	4
Treasury Memoranda	-	6	1	5
TOTAL	**2,414**	**3,715**	**3,153**	**562**

Notes:

1. Engineering audits – these include 124 reports issued covering roads, bridges, buildings and water projects with a total contract/value of works of UGX.2.17Tn.

2. Forensics/Special Audit – the total audits completed of 387 which include 367 individual payroll special audits.

1.4.2 Summary of Opinions

Of the financial audits concluded (MDA, Commissions, Statutory Authorities and State Enterprises, Projects, Districts and Municipalities), 613 (98%) entities had unqualified opinions while 10 (1.6%) entities had qualified opinions and 02 (0.4%%) had disclaimer opinions. Table 2 and figure 1 below provides the summary of the Opinions:

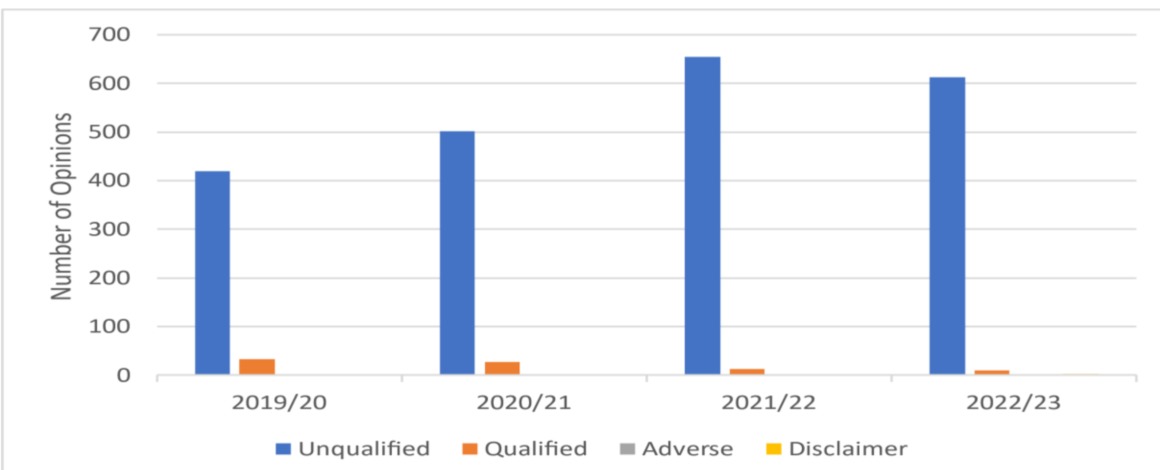
Table 2: Summary of Current Year Opinions

Type of Entity/Audit	Un-qualified	Qualified	Adverse	Disclaimer
MDAs	156	5	0	1
Funds	5	0	0	0
Classified entities	0	0	0	0
International Audits	0	0	0	0
Commissions, Statutory Authorities and State Enterprises	56	2	0	1
Projects	208	1	0	0
PSAs	0	0	0	0
Districts	133	2	0	0
Municipal Councils and Cities	41	0	0	0
Divisions	0	0	0	0
Lower Local Governments for 2020/2021 and Backlogs	0	0	0	0
Regional Referral hospitals	14	0	0	0
Schools/Tertiary institutions	0	0	0	0
TOTAL	**613**	**10**	**0**	**2**

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

Type of Opinion	2022/23	2021/22	2020/21	2019/20
Unqualified	613	654	502	420
Qualified	10	13	27	33
Adverse	0	1	0	0
Disclaimer	2	1	0	0
Total	**625**	**669**	**529**	**453**

Figure 1: Summary of Opinions for the last four years



PART 2: REPORTS ON CONSOLIDATED FINANCIAL STATEMENTS

2.1 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 2023

THE RT. HON. SPEAKER OF PARLIAMENT

Opinion

I have audited the Consolidated Financial Statements of the Government of the Republic of Uganda, which comprise the Consolidated Statement of Financial Position as at 30th June 2023, Consolidated Statement of Financial Performance, Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement together with other accompanying statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying Consolidated Financial Statements of the Government of Uganda for the financial year ended 30th June 2023 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 (as amended).

Basis for 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 consolidated 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 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 to be key audit matters communicated in my report.

2.1.1 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 moneys 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.

Entities prepare budgets every year which provide expected revenue and expenditure for the year. The budgets are supported by work plans that show what specific activities and out-puts the funds will be spent on in order to deliver services to citizens.

In arriving at my findings, I reviewed documents such as work plans, budgets and performance reports. I also conducted interviews and physical inspections to corroborate my findings from the review of documents.

The approved initial revenue and expenditure budget estimates of the Government of Uganda were UGX.48.132Tn. This was later revised, with the revenue budget being increased to UGX.48.136Tn, following a revision of local revenue by UGX.4.75Bn. A total of UGX.46.921Tn was eventually realised for spending by Government entities. I further noted that whereas the revenue budget was revised to UGX.48.136Tn, the expenditure budget was revised to a total of UGX.52.548Tn in the course of the year, leading to an unbalanced budget by UGX.4.412Tn.

I reviewed the implementation of the approved 2022/2023 budget by Government and below are my findings from the performance of revenues/warrants, absorption of warrants and implementation of out-puts and activities under the budget performance review;

Table 4: Summarising Key audit observations on Budget Performance

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

A review of the approved budget estimates of the Government of Uganda for the financial year ended 30th June 2023 revealed that the revised revenue budget was UGX.48.136Tn. However, UGX.46.921Tn was realised representing 97.48% performance level as shown in the table below;

Table summarising revenue performance
<table>
<tr><th>Funding source</th><th>Revised budget - UGX Bn</th><th>Actual - UGX Bn</th></tr>
<tr><td>Consolidated fund</td><td>-</td><td>40.735</td></tr>
<tr><td>Tax revenue</td><td>23,754.95</td><td>25,208.730</td></tr>
<tr><td>Non-Tax revenue</td><td>1,795.89</td><td>1,791.478</td></tr>
<tr><td>Petroleum fund</td><td>0</td><td>125.288</td></tr>
<tr><td>Domestic financing</td><td>5,007.93</td><td>3,928.049</td></tr>
<tr><td>Domestic refinancing</td><td>8,008</td><td>6,444.076</td></tr>
<tr><td>Local revenue</td><td>243.566</td><td>156.763</td></tr>
<tr><td>Grants</td><td>2,168.51</td><td>1,131.897</td></tr>
<tr><td>Loans</td><td>7,156.9</td><td>8,094.339</td></tr>
<tr><td></td><td>48,135.746</td><td>46,921.36</td></tr>
</table>

Although the performance is commendable, the shortfall implies that government could not fully finance its planned programmes, which in turn affected service delivery.</td><td>The PS/ST was advised to continue exploring more avenues of ensuring that all budgeted revenue is realised to fund the budget as approved.</td></tr>
</table>

No	Observation	Recommendation
	The PS/ST explained that Government is committed to the enhancement of revenue mobilisation by 0.5 per cent of GDP every Financial Year, through the implementation of the Domestic Revenue Mobilisation Strategy. He further elaborated that the Ministry responsible for Finance would continue to hold NTR consultations with the respective NTR generating MDAs in order to harmonise the NTR estimates, review existing rates charged for services rendered to the public and consider proposals for new sources of NTR from MDAs.	
1.2	**Utilization of Warrants** Out of the total warrants of **UGX.49.226Tn** issued during the financial year, **UGX.43.404Tn** was spent by Government, resulting into an unutilized balance of **UGX.5.822Tn** representing a performance level of 88.2%. The summary is shown in the table below; **Table summarising utilisation of warrants**	I advised the PS/ST to establish and address all implementation bottlenecks that continue to impede Accounting Officers from utilising availed warrants, so as to enhance activity implementation and therefore service delivery. In addition, the PS/ST was further advised to ensure that all warrants issued are supported by sufficient revenue resources to fund such warrants.

	Revised budget (UGX. Tn)	Total warrants (UGX. Tn)	Total payments (UGX. Tn)	Variance (UGX. Tn)	% Variance
MDAs[1]	46.262	43.101	37.608	5.493	12.7
LGs	6.286	6.125	5.796	0.329	5.4
Total	**52.548**	**49.226**	**43.404**	**5.822**	**11.8**

I observed that the warrants issued during the FY of **UGX.49.226Tn** were in excess of the revised budgeted revenue resources of **UGX.48.136Tn** by **UGX.1.090Tn**.

Overall, there was under-utilisation of warrants of UGX.5.822tn representing 11.8% of the total warrants. Significant under-utilisation of warrants were noted on Treasury Operations (Vote 130) of UGX.2.926tn and **UGX.216Bn** meant for development expenditure for Local Governments.

Failure to fully utilise availed warrants points to un implemented activities and therefore negatively impacting service delivery across government.

The PS/ST explained that the respective Accounting Officers had been requested to justify the under absorption in addition to adjustment of their work plans for the subsequent financial years to undertake the activities which were not completed.

No	Observation	Recommendation
1.3	**Lack of Performance reporting per Program** As one of the PFM reforms, GoU upgraded the integrated financial Management system (IFMS) to support the NDP 3 programmatic	I advised the PS/ST to ensure that the

[1] Included in the figures for MDAs are amounts for Project Financing.

<table>
<tr><th>No</th><th>Observation</th><th>Recommendation</th></tr>
<tr><td></td><td>approach to planning and reporting. Section 2 of the Financial Reporting Circular 2022/23, states that financial reporting would be based on the changes resulting from the adoption and implementation of the programme approach to planning, budgeting and reporting under NDP 3 and other PFM reforms.

Review of the Consolidated Financial Statements of Government indicated that there is no reporting of Government performance by program. This undermines the objective of the PFM reform of reporting on the performance of the programs as outlined in the NDP.

The PS/ST explained that the Statement of Appropriation by NDPIII programmes is part of the revised financial reporting templates that were shared with all Accounting Officers (AOs). Based on the above, all AOs reported on their respective budget performance by programmes.

He further expounded that a separate template was being developed in Consultation with Office of the Prime Minister and National Planning Authority and would be annexed as part of the memorandum statements in the Consolidated Financial Statements once completed.</td><td>consolidated financial statements are produced in accordance with the guidance issued by the Accountant General to incorporate the PFM reforms, and enhance utilisation of the statements.</td></tr>
<tr><td>1.4</td><td>

<u>Un-funded approved budget</u>

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.

During the financial year 2022/2023, Parliament appropriated a total of **UGX.52.548Tn** to finance Government expenditure through its MDAs including Embassies and Missions constituting **88.04%** and **11.96%** to Local Governments. The details of the allocations of the budget against the spending categories is detailed in the table below;

<u>Table showing Government budget performance per spending category</u>

	Revised budget (UGX Tn)	Total warrants (UGX Tn)	Variance (UGX Tn)	% Unwarranted funds
MDAs	46.262	43.101	3.16	6.83
LGs	6.286	6.125	0.161	2.56
Total	**52.548**	**49.226**	**3.321**	**6.32**

Source: *OAG analysis of the Government budget performance report*

Analysis of the budget performance report also revealed that of the total revised budget, **UGX.3.32Tn** representing 6.32% of the

</td><td>I advised the PS/ST that although releases were in response to available cash resources, there was need to provide guidance to MDAs in regard to prioritization of activities to the levels of availed resources in cases of shortfalls. Besides, the Treasury should warrant funds based on the money available in the Consolidated Fund.</td></tr>
</table>

No	Observation	Recommendation
	entire government budget was not warranted. This was attributed to the budgeted amounts not being matched with revenue collections during the year. It was observed that whereas the performance contracts with Accounting Officers are premised on availing the appropriated budgets during the year, such contracts are not revised in situations of shortfalls in budgets. 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. The detailed impact of this shortfall on the entity activities has been reported in the individual entity reports. The PS/ST concurred with the finding and explained that the releases were in line with the available resources. MoFPED accordingly provided overall guidance to MDAs through Quarterly Limits Circulars.	
1.5	**<u>Continued approval of supplementary funding without matching revenue</u>** 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. It was established that during the financial year ended 30th June 2023, supplementary expenditure amounted to **UGX.4.417Tn. Out** of which **UGX.1.437Tn** (**2.99%) was in respect** of the **3% as per the PFMA** granted to the Minister of Finance, Planning and Economic Development to authorize supplementaries. It was however noted that the source of the funding for the supplementary expenditure was not clearly shown before approval was granted. As a result, the supplementary expenditure was instead financed by internal budget cuts from various votes thus suppressing implementation of plans/ activities by the affected votes. I noted that, although the expenditure budget was revised to **UGX.52.548Tn**, it was only funded to the tune of **UGX.49.226Tn** resulting into a deficit of **UGX.2.322Tn**. Continued approval of supplementary budgets without a corresponding increase in revenue/financing could be attributed to fiscal indiscipline which leads to increased funding gap affecting the earlier budget objectives and plans. The PS/ST explained that the provision of Supplementary expenditure was made in accordance with Section 25 of the PFMA 2015 act as amended and affirmed that the Supplementary expenditure going forward had been restricted in line with guidance	I advised the PS/ST to ensure that all supplementary expenditure approvals are supported with supplementary sources of financing, so as to ensure that the earlier activities are implemented as planned.

No	Observation	Recommendation
	from H.E the President on Peace and security; Roads; Electricity; Investing in the people of Uganda; Prioritizing money earning projects; Management of natural disasters; and International commitments.	
1.6	**<u>Failure to involve Program working Groups in review of Supplementary budgets</u>** Section VI (c)(ii)(37&38) of the Guidelines of transitioning to Program planning and budgeting approach, 2020 states that he lead Minister of a program will coordinate the development an annual Programme Budget Framework Paper (PBFP) in consultation with all relevant stakeholders of the programme and that the overall program coordinator at OPM in liaison with NPA, should ensure that the final budget estimates are intended to finance the agreed priorities and actions of the program generated by the Programme Working Group (PWG). The 2022/23 initial budget of UGX.48Tn was appropriated based on 20 programmes and the PWG played a pivotal role in the development of programme agreed on priorities and actions. Contrary to the above requirement, Audit noted that the total supplementary budgets of **UGX.4.417Tn** were initiated, approved and utilized without any involvement of the program work-committees but rather with direct engagement with the Votes. There is risk of misalignment of programme outputs and performance targets, as well as undermining the implementation of programme based budgeting approach. The PS/ST explained that appropriate action would be taken.	The PS/ST was advised to strengthen the functionalities of the Programme Working Groups and have them involved during the process of making decisions for supplementary budgets.
1.7	**<u>Failure to budget for Non-Tax revenue on the PBS</u>** Government procured the Programme Budgeting System (PBS) to be used by Government Agencies, MDAs and Local Governments for the budgeting process, Execution of the budget and performance reporting. It was noted that the system had a Budget module for preparing budget documentations during planning, preparation and execution. Review of Program Based Budgeting (PBB) tool extracts such as the approved estimates, work plans and quarterly performance reports 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 by the tax policy department, indicating that they had not been consulted in arriving at the estimates incorporated therein.	I advised the PS/ST 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.

No	Observation	Recommendation
	Absence of proper revenue estimates for each entity undermines transparency, affects motivation of staff, and hampers performance assessment. The PS/ST V explained that the PBS system had been upgraded and provided a window for projecting NTR for all MDAs.	

I have also issued a separate detailed audit report in regard to budget performance.

2.1.2 MANAGEMENT OF THE GOVERNMENT SALARY PAYROLL

Over the years, execution of the Government budget has been characterized by wage overruns and persistent requests to the Minister for Finance Planning and Economic Development (MoFPED) by entities, for supplementary funding to cater for shortfalls on salaries, yet this is an area where employee numbers are certain and specific. In his letter to the Auditor General dated 29th November 2022 referenced HRM 155/222/02, the Minister for Finance Planning and Economic Development (MoFPED) highlighted that, despite the reforms introduced by Government to mitigate against persistent supplementary requests for additional funds to cater for wage shortfalls, there has not been significant results and yet expenditure on wage is a substantial percentage of all entity budgets. Other anomalies highlighted included: payments for non-existent employees, underpayments to staff and irregular overpayments to staff, among others.

Accordingly, during the year, I carried out a special audit of all salary payrolls across Government, to establish the root causes of the identified challenges and propose remedial measures accordingly. The audit covered the last four financial years 2019/2020 to 2022/2023. The matters relating to the audit of the payroll for the financial year 2022/2023 have been included in the entity reports as a Key Audit Matter. However, the following are a summary of the key findings from the salary payroll audit;

2.1.2.1 Validation of Government Employees

The payroll validation exercise covered 367 entities comprising of: 162 MDAs, 176 LGs and 29 Other Government organisations for the month of February 2023. Of the above, only 265 MDAs and LGs process their payrolls through Ministry of Public Service (MoPS) while 102 MDAs utilize other payroll systems separate/different from Integrated Personnel Payroll System (IPPS)/Human Capital Management System (HCMS) utilized by MoPS. This has the effect of limiting the Ministry's purview over the Human resources in those entities outside the IPPS/HCMS. The table below summarises the number of employees on the payrolls that were submitted for validation;

Table 5: Showing number of staff on main and short-term/temporary payrolls submitted for validation

Category	No. of entities	Staff on the main payroll	Staff on the short-term/temporary payroll	Total number of staff on the payrolls
MDAs & LGs processing through MoPS	265	362,007	6,251	368,523
MDAs outside of MoPS	73	13,466	2,061	15,600
Other Government Organisations	29	12,231	614	12,874
Total	**367**	**387,704**	**8,926**	**396,997**

The validation results were as follows in table below;

Table 6: Summarising validation results

Categorisation	Details	MDAs & LGs processing through MoPS	MDAs outside of MoPS	Other Government organisations	Total
Employees recommended to be left on the payroll	Total number of employees fully verified	331,670	14,849	12,234	358,753
	Total number of employees partially verified	24,824	297	318	25,439
	Not appeared but Accounted for (on payroll)	1,972	126	148	2,246
	Employees who appeared for headcount but were not on the payroll - New records	7,446	172	126	7,744
	Total left on payroll	**365,912**	**15,444**	**12,826**	**394,182**
Employees recommended to be removed from the payroll	Total number of employees who appeared but were not verified	2,044	20	3	2,067
	Accounted for (Off payroll)	5,952	230	125	6,307
	Not accounted for	1,796	5	17	1,818
	Total recommended for removal from the payroll	**9,792**	**255**	**145**	**10,192**

From table 6 above, the following was noted;

a) A total of 358,753 employees who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. These were confirmed by the respective Accounting Officers.

b) A total of 25,439 partially verified employees did not present all the requisite documents but were recommended to be temporarily left on payroll until the responsible Appointing Authority verifies them and takes appropriate action.

c) 2,246 employees did not appear for validation and were away for genuine reasons, including official leave, sick leave, secondment, and official work abroad, among others. These were recommended to be left on the payroll, and arrangements made to ensure validation upon their return to duty.

d) 7,744 individuals whose names were not on the base payroll (February 2023), appeared for the validation exercise and presented all pre-requisite documents. These individuals were confirmed to be genuine employees by Accounting Officers and were recommended to be included on the validated payroll.

e) 2,067 employees who were paid UGX.1.87Bn in the base month (UGX.22.44Bn annually), appeared for validation but did not satisfy the requirements of the validation exercise. Accordingly, these were recommended to be omitted from the validated payrolls.

f) 6,307 employees were either confirmed dead, absconded, or retired by the time of validation. Out of these, 2,483 employees were removed from the payroll in time, while 3,824 were not deleted promptly and as a result, UGX.23.62Bn was irregularly paid to them after their exit date. These were recommended to be omitted from the validated payroll.

g) 1,818 individuals who were paid UGX.0.56Bn in the base month alone (i.e., February 2023), were non-existent and hence confirmed ghost employees. Payments made to these employees could have led to a potential annual financial loss of UGX.6.72Bn to Government. These were accordingly recommended to be omitted from the validated payroll.

Recommendations

The key recommendations made were as follows;

- I advised Government to ensure that all MDAs and LGs should have their salaries processed through the MoPS HCMS. Where entities have separate HCM systems, Iinterfaces between the MoPS HCMS and various systems being utilized by such entities should be developed, to ensure seamless sharing of data, which MoPS may require from time to time.

- The Accounting Officers of the entities where employees were recommended for removal, should delete the names in question from the payrolls.

- Government should establish a clear policy that regulates recruitment and maintenance of temporary staff with clear sanctions against non-complying Accounting Officers and Human Resource Personnel.

2.1.2.2 Payments on Wrong Scales

During the audit of the salary payroll, I conducted a comparison of the base pay as per entity payrolls with salary structures and noted that some staff were paid on wrong scales/notches leading to over and underpayments as follows;

a) A total of 81,537 employees in 27 MDAs and 166 LGs processing salaries through MoPS, and 74 employees in four (04) entities outside of MoPS, were over paid by UGX.62.6Bn and UGX.1.26Bn respectively. Such overpayments can cause financial loss to government, if not recovered.

b) Relatedly, 142,732 employees in entities processing through MoPS and six (06) employees in entities outside of MoPS were under paid by UGX.78.2Bn and UGX.0.13Bn respectively. Underpayment denied the affected staff their rightful emoluments, and social benefits, in addition to leading to the accumulation of domestic arrears which exposed Government to litigation with associated costs.

The above errors were attributed to failure to properly reconcile salary amounts before effecting payments and the one-way integration between IFMS and IPPS/HCMS which does not provide feedback on payments made through IFMS to facilitate reconciliation.

Recommendation

I advised Accounting Officers to recover the amounts overpaid while the underpayments should be fully paid to the affected staff. In addition, full integration of the IFMS and IPPS/HCMS should be made by MoPS and MoFPED, to facilitate prompt reconciliations.

I have also issued a separate detailed audit report in regard to the Payroll audit.

2.1.3 MANAGEMENT OF THE PARISH DEVELOPMENT MODEL (PDM)

The Parish Development Model (PDM) is a strategy for service delivery by the Government of Uganda to improve the incomes and welfare of all Ugandans at the household level by transforming 39% of households from a subsistence economy to a money economy as approved by Parliament; whose outcomes will be measurable in the FY 2024/2025 at the closure of the NDP III.

The PDM is implemented under seven (7) pillars and the primary pillar is the "Agriculture Value Chain Development (Production, Storage, Processing, and Marketing)". The other six pillars which support the primary pillar include: Infrastructure and Economic Services; Financial Inclusion (FI); Social Services; Community Mobilization and Mind-set Change;

Parish Development Management Information System (PDMIS); and Governance and Administration.

In the FY 2022/2023, Parliament appropriated UGX.1.142Tn for the PDM Programme, of which UGX.1.059 Tn was for the Parish Revolving Fund (PRF) to finance 10,594 PDM SACCOs in 176 LGs and Kampala Capital City Authority (KCCA). Each SACCO is supposed to receive UGX.100Mn in a financial year to develop and implement viable community led income generating enterprises. In addition, a sum of UGX.82.65Bn was released to specific entities as indicated in the table below for PDM implementation;

Table 7: Summarising PDM Releases

SN	Entity	Purpose	Amount – UGX Bn
1.	Ministry of Finance, Planning and Economic Development	FSD - Support PDM implementation	1.600
2.	Ministry of Local Government	PDM Secretariat and support to coordination	21.980
3.	Ministry of Gender, Labour and Social Development	Mindset Change interventions	1.000
4.	Ministry of Information, and Communications Technology	IT Support to PDM	13.800
5.	Uganda Bureau of Statistics (UBOS)	Data collection and validation	4.000
6.	Local Governments	Administration costs and salaries for Parish Chiefs	40.270
	Total		**82.65**

With the exception of Pillar 3, which is funded separately under MoFPED for direct disbursement of Parish Revolving Fund (PRF), other pillars continue to be funded under existing government institutional arrangements where MDAs must align their plans, interventions and budgets for implementation of the PDM.

I designed audit procedures to;

- Assess Government's institutional arrangements and preparedness to implement the PDM strategy at both the National and Sub-national levels (HLGs and LLG and PDM SACCO levels),
- Establish whether MDA&LGs' planning and budgeting processes are aligned to the implementation of the PDM strategy, and
- Assess whether the PDM Pillars have been implemented in accordance with the PDM policy and guidelines.

The matters relating to the audit of the PDM for the financial year 2022/2023 have been included in the entity reports as a Key Audit Matter. The key observations are summarised below;

Table 8: summarising Key audit observations on PDM Audit

SN	Audit observation	Recommendation
a)	**Planning and budget performance** Out of an approved budget of UGX.1.086Tn for 4 sampled participating MDAs for implementation of PDM activities, UGX. 1,080Tn (99.42%) was released, resulting in a deficit of UGX.6.257Bn As result, 21 activities were not implemented. Thus affecting training of Trainers, Mobilization of value chain actors, coordination and monitoring of PDM activities at Lower Local Governments. The Accounting Officers explained that the unimplemented activities had been rolled over to the subsequent financial year. The Accounting Officers further explained their respective departments and agencies had continued to main stream PDM activities in their routine work plans and that PDM Roll out, coordination, sensitization, monitoring and evaluation activities would be reprioritized under their budget while further engagement with MoFPED for increased funding was being undertaken.	I advised the Accounting Officers to follow up with MoFPED to ensure that the required funding is obtained to implement the rolled over activities.
b)	**Un-funded PDM SACCOS** An analysis was made using the payments detail XML file of MoFPED and it was established that all the budgeted amount of UGX. 1,059.4Bn meant for 10,594 SACCOs was released to 10,586 SACCOs leading to 8 unfunded SACCOs. As a result, the objectives of the PDM in the 9 parishes were not achieved. The Accounting Officer of MoFPED explained that the balance of 8 Parishes was yet to be cleared for capitalisation because the responsible Local Governments had not yet submitted to MoFPED information to facilitate transfer of funds.	The Accounting Officer should fast track the verification of existence of these Parishes and have the SACCOs therein funded.
c)	**Late Disbursement of Funds** Paragraph 10(v) of the Budget Execution Circular for FY 2022/2023, requires MoFPED to disburse UGX.25 million (UGX. 264.85 million) Parish Revolving Funds (PRF) to qualifying PDM SACCOs on a quarterly basis. I noted that; • No funds were disbursed to any of the 10,594 SACCOs in quarter 1 yet UGX.264.85Bn was expected per quarter.	I informed the Accounting Officers that the matter would be brought to the attention of MoFPED.

SN	Audit observation	Recommendation
	• Only 8,860 out of the 10,594 SACCOs received PRF of UGX.221.500Bn in quarter 2 • Only 905 out of the 10,594 SACCOs received UGX. 22.625Bn. • 10,585 SACCOs received a sum of UGX.814.350Bn instead of UGX.264.85Bn quarterly disbursements in quarter 4. This was attributed to inconsistent quarterly disbursements to SACCOs whereby 10,585 SACCOs received all the disbursement for the previous quarters in quarter 4. Consequently, there was delayed disbursement to SACCO beneficiaries which affected the intended timely transformation of the subsistence households into the money economy. The Accounting Officers explained that the mandate to release funds lies with the MoFPED.	
d)	**<u>Utilisation of PDM Funds at MDAs</u>** I reviewed the utilization of PDM funds and noted the following; • Out of the total receipts of UGX.1.080Bn, UGX.1.078Bn (99.81%) was spent by 4 participating MDAs resulting to un-utilized funds of UGX.2.022Bn (0.2%). The funds that were not absorbed were meant for 8 activities which were partially or not implemented. Failure to utilize PDM funds for administrative costs and coordination of PDM activities undermines the achievement of the overall goal. The Accounting Officers explained that the unimplemented activities have been rolled over to the subsequent financial year.	I advised the Accounting Officers to follow up with MoFPED to ensure that the required funding to implement the rolled over activities is provided and activities implemented.
e)	**<u>Disbursement of Parish Revolving Fund (PRF) to the Households</u>** Paragraph of the Users Handbook for the Parish Revolving Fund (PRF) under PDM Pillar 3 - Financial Inclusion October 2022 stipulates that the money for each Parish under the PRF shall be disbursed directly from the consolidated fund (at Bank of Uganda) to the PDM SACCO bank account solely for on-lending to subsistence households in the parish who are members of a registered PDM Enterprise Group in that parish.	I informed the Accounting Officers that the matter of delayed disbursement would be brought to the attention of MoFPED.

SN	Audit observation	Recommendation
	I noted that 6,911 PDM SACCOs in 138 LGs had disbursed UGX.478.304Bn (58%) out of the PRF received of UGX.820.798Bn leaving UGX.342.493Bn (42%) undisbursed by end of the financial year 2022/2023. I also noted that 1,303 SACCOs in 28 LGs had not disbursed any of the PRF funds received of UGX.28.479Bn to households. I further noted that 62 PDM SACCOs in KCCA had not disbursed PRF funds worth UGX.6.2Bn to households by 14th November 2023. The low rate of disbursement of Parish Revolving Fund (PRF) may undermine the achievement of the pillar objective of eradicating poverty. The Accounting Officers attributed this to; • Late release of funds by MoFPED and delays to authorise disbursement of funds to the beneficiaries by the PDM Secretariat. • Delayed training in the application of the lending tool (PDMIS). The Accounting Officers explained that further sensitization would be done to encourage utilisation of funds.	
f)	**<u>Implementation of Ineligible, and Non-Existent Projects</u>** Paragraph 32 (b) PDM - A LG Guide for Supporting Households & Enterprise Groups in Accessing Loans Under the PRF (Guide No.2), January 2023 states that a PRF has been established to ensure loans, of up to UGX. 1 million per household, are provided to subsistence households through a special type of a multi-purpose cooperative called the PDM SACCO. Each loan under the PRF shall mainly be used for purchasing capital inputs and operational expenditures e.g. seeds, fertilisers, acaricides, veterinary drugs etc. I reviewed loan files and carried out physical inspections where I observed the following; • In 68 LGs, 604 beneficiaries in 242 PDM SACCOs had implemented ineligible projects. • In 20 LGs, 53 beneficiaries in 44 PDM SACCOs had non-existent projects.	I advised the Accounting Officers to improve supervision and monitoring to ensure that implementation is as planned.

SN	Audit observation	Recommendation
	Implementation of ineligible projects and non-existent projects undermines the achievement of PDM objectives. The Accounting Officers attributed this to seasonal variations that were unfavourable for the particular funded projects.	

I have issued a separate detailed audit report in regard to the PDM audit.

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;

2.1.4 CONSOLIDATION OF ANNUAL ACCOUNTS OF MDAS AND LOCAL GOVERNMENTS WITHOUT CHANGE IN LEGISLATION

According to Section 52(1) of PFMA, 2025 requires that the Accountant General shall within three months after the end of each financial year prepare and submit to the Minister and the Auditor General the following consolidated accounts-

a) the consolidated annual accounts of Government which shall include the accounts in paragraph

b) the consolidated annual accounts of the local Governments;

c) the consolidated summary statement of the financial performance of public corporations, state enterprises and Companies where Government has a controlling interest;

d) the accounts of the Contingencies Fund; and

e) the accounts of the Petroleum Fund.

However, I noted that the Local Government votes (District Local Governments, Municipal Councils and Cities) have been consolidated with MDAs as one set of consolidated accounts without an amendment in the legislation.

The Accountant General explained that the changes were made in line with Section 52(3) of the same Act which mandates the Accountant General to introduce justifiable changes to the accounting and classification system in order to ensure proper accountability for public funds. The Accountant General further explained that this was the basis for the merger of both Central and Local Government Consolidated Financial Statements into one, without necessarily amending the PFMA 2015. However, the process to amend the PFMA 2015 would be initiated once other proposed amendments have been authorized by Government through Cabinet.

Recommendation

I advised the Accountant General to initiate action with the relevant stakeholders with a view of having a change in the legislation effected, to align the new approach with the law.

2.1.5 CHANGE IN ACCOUNTING TREATMENT FOR NON-CURRENT ASSETS

According to the guidance issued by the Accountant General dated 11th July 2023 (ref. AGO 50/90/01) for the preparation of Financial Statements for Votes for the year ended 30th June 2023, there was a change in the Accounting policy on Government Non-current assets. The votes are now required to show the fixed assets in the Statement of Financial position and apply depreciation rates as per policy under Note 1.1(g) to the financial statements, to recognize the consumption of the asset values over the useful life of the non-current assets.

It was further guided that assets at the end of the previous financial year 2021/22 for all votes, should be compiled and validated before migration to the new IFMS fixed assets Module in the adjustment period.

To aid comparability, the adoption of a new accounting policy would require a restatement of comparative figures and the opening balances for applicable assets.

The Accountant General however piloted five entities namely; Ministry of Defence and Veteran Affairs, Uganda Police, Internal Security Organisation, External Security Organisation and Kalungu District Local Government, where all the historical values for non-current assets were in accordance with the new accounting policy.

However, as stated in the Accountant Generals Commentary (page 14) the re-instatement was effected in respect of only 5 votes mentioned above. This makes comparison limited.

Recommendation

I advised the Accountant General to expedite compilation and valuation of all assets owned by Government and accordingly update the financial statements.

2.1.6 PAYABLES – UGX.10.818Tn

As disclosed in the statement of financial performance, the domestic arrears have increased from UGX.8.049Tn in 2022, to UGX.10.818Tn in 2023 constituting a 34.4% increase. The amount represents 20.6% of the revised budget of government of Uganda for the financial year 2022/23. 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.4.417Tn 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.

Recommendation

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.

2.1.7 CLASSIFIED EXPENDITURE – UGX.728Bn

As disclosed under Note 8, a total of UGX.728Bn 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;

2.1.8 AUDIT OF PUBLIC DEBT

2.1.8.1 Public Debt Portfolio Analysis

The reported total public debt as at 30th June, 2023 stood at UGX. 97,499Tn, of which Domestic Debt Stock was UGX.44.673Tn and the External Debt Stock was valued at UGX.52.826Tn. This is an increase of UGX.9.329Tn, equivalent to 10.74% when compared to the debt stock of UGX.86.839Tn reported as at 30th June 2022. The Table below shows the details;

Table 9: Showing Government Debt

Financial year ended	Domestic debt (UGX Bn)	Foreign debt (UGX Bn)	Total (UGX Bn)	% change
June 2023	44,673	52,862	97,499	12.27%
June 2022	38,376	48,463	86,839	15.60%
June 2021	30,806	44,313	75,119	32.04%
June 2020	17,975	38,196	56,892	23.5%
June 2019	15,221	30,905	46,057	-

From the above, it was noted that there has been a consistent increase in the total debt as evidenced by an increase of 111.7% in the five years from 2018/19 of UGX.46Tn, to UGX.97.499Tn as at 30th June 2023. 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.

As noted in my prior audit report, 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 1 below illustrates the trend of public debt stock by type over the past five years;

Graph 1: Illustrating public debt status over the 5 FYs

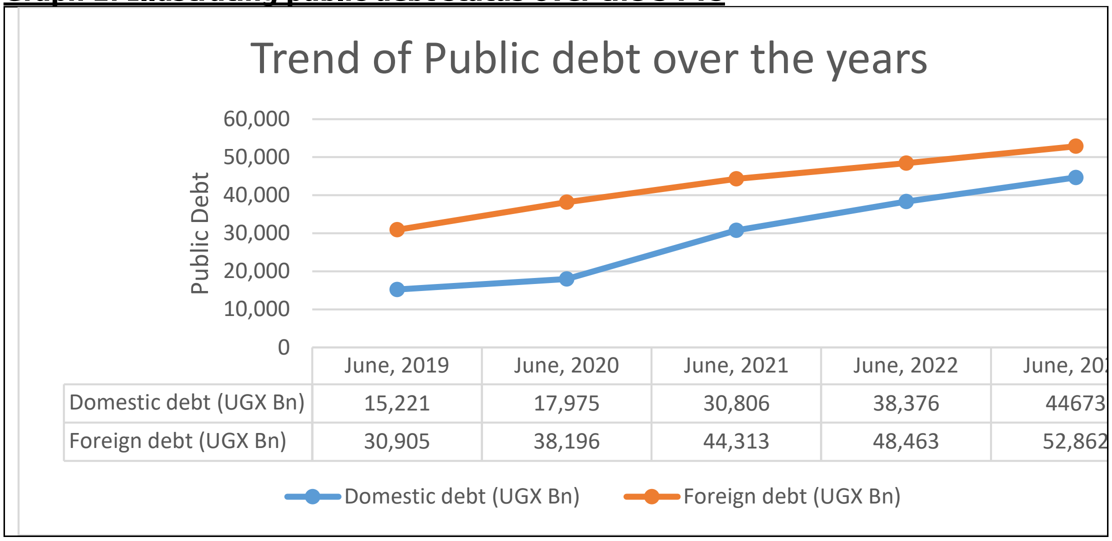


Figure 1: *Public Debt Portfolio*

The increasing trend in the government debt position reduces the available resources for both funding development projects and service delivery as huge resources will be directed towards debt repayment.

The Accounting Officer acknowledged the observation and explained that the Government was undertaking the multipronged approach to minimize the rate of debt accumulation, and also prioritizing borrowing on non-concessional and Export Credit Agency terms.

Recommendation

I advised Government to consider reviewing its current debt strategy with a view of incorporating more effective approaches aimed at containing the upward debt position trend.

2.1.8.2 Analysis of External Debt

Uganda's external debt as at 30th June 2023 is made up of Multilateral Creditors (UGX.32.748Tn), Bilateral Creditors (UGX.12.932Tn) and Commercial Banks (UGX.7.146Tn). Refer to the graph 2 below;

Graph 2: External Debt composition by Funding category

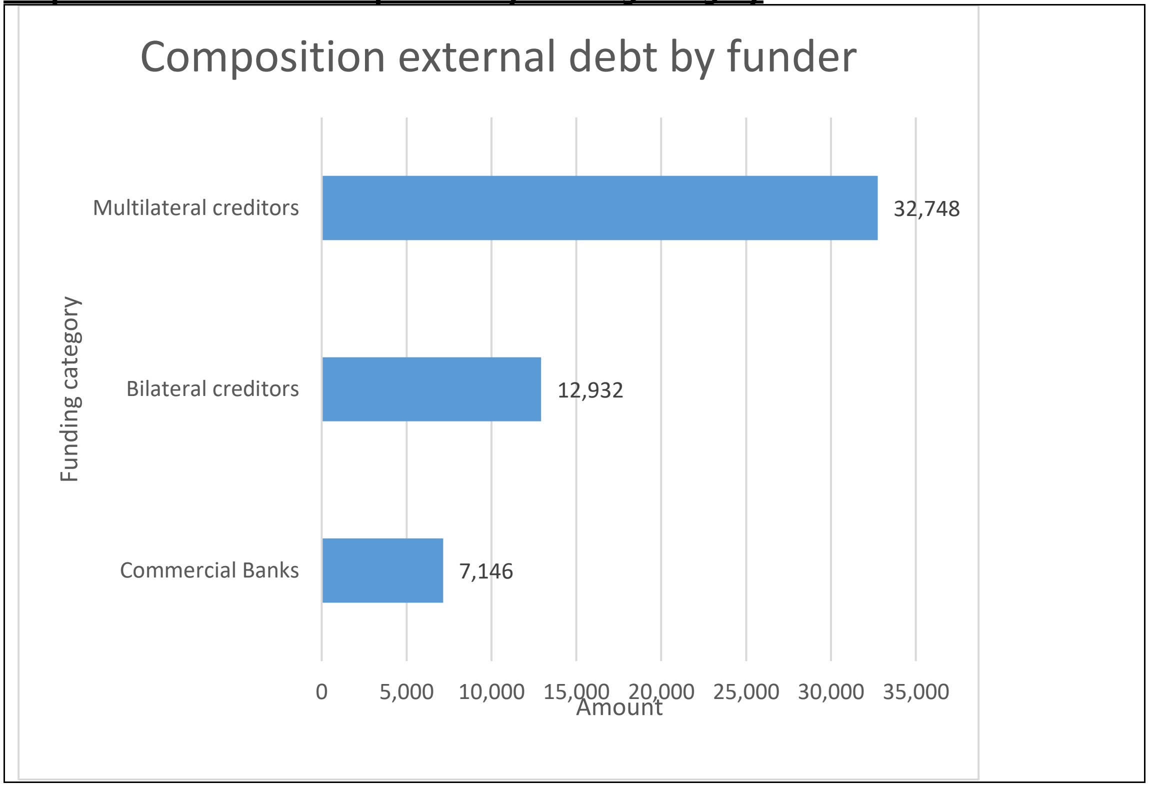


***Figure 2**: External Debt composition by Funding category*

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.30.905Tn in the Financial Year 2018/19 to UGX.52.826Tn in 2022/23, representing an overall growth of 71% over the period. The details are given in the Table and graph 3 below;

Table 10: Table Showing growth in external debt

Financial year	Amount (UGX Billions)	Increase (UGX Billions)	% Change
2022/23	52,826.00	4,398.00	9.08
2021/22	48,428.00	4,430.72	10.07
2020/21	43,997.28	5,080.69	13.05
2019/20	38,916.59	8,010.97	25.92
2018/19	30,905.61	-	-

Graph 3: External Debt Trend

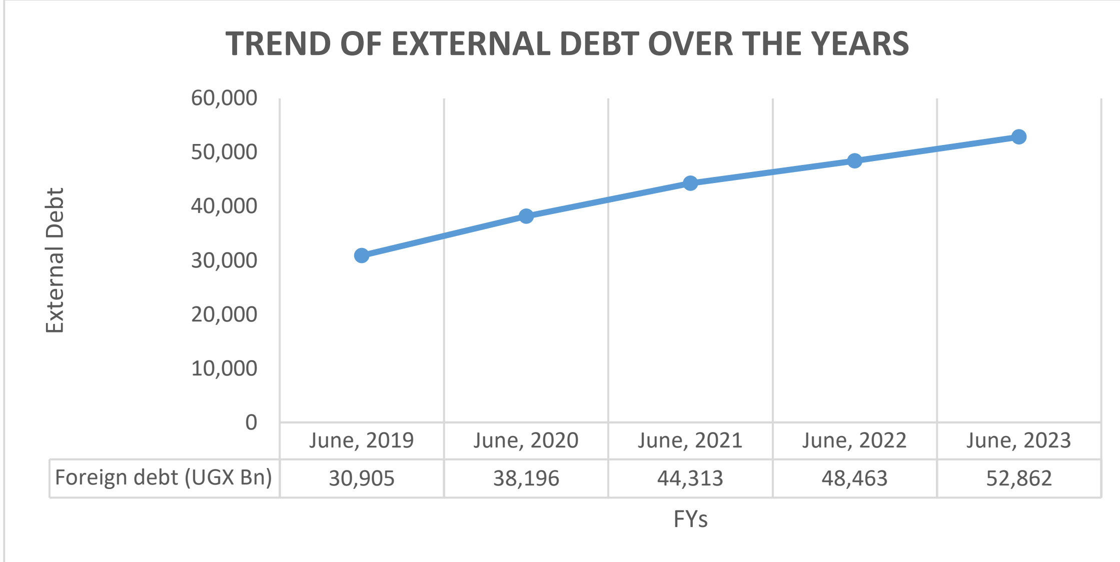


***Figure 3**: External Debt Trend*

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

The PS/ST explained that Government was undertaking the multipronged approach to minimize the rate of debt accumulation and also prioritizing borrowing on non-concessional and ECA terms.

Recommendation

I advised Government to effectively implement the medium term debt management strategy, so as to ensure that the level of public debt remains sustainable. In addition, government is advised to review the domestic revenue mobilization strategy with a view of enhancing the approaches adopted therein, so as to increase domestic revenues and narrow the fiscal deficit.

2.1.8.3 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.33.25Tn as of 30th June 2023 (2021: UGX.36.07Tn). Trends for the past four years of domestic debt portfolio are shown respectively in the Table below;

Table 11: Showing domestic debt stock for the past four years

FY	Domestic Debt Stock (face value)	Increase /(decrease)	
	UGX-Tn	UGX (Tn)	%
2022/23	33.25	(2.82)	(7.8)
2021/22	36.07	5.26	17.1
2020/21	30.81	12.85	71.5
2019/20	17.96	2.47	16.0
2018/19	15.50	2.44	18.7

From the above, it is evident that domestic debt has kept growing over the years at an average rate of more than 18.1%.

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

Table 12: Showing trends in domestic debt stock

Details	FY2018/19 (UGX-Tn)	FY2019/20 (UGX-Tn)	FY2020/21 (UGX-Tn)	FY2021/22 (UGX-Tn)	FY2022/23 (UGX-Tn)
Issuances (Bills & Bonds)	7.40	8.48	13.69	13.0	10.1
Redemptions (Bills & Bonds)	5.24	5.91	6.98	8.4	6.4
NET Domestic Financing	2.16	2.57	6.71	4.6	3.7

From the above 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 slight decrease of 31% was registered in Net Domestic Financing (NDF) from UGX.4.6Tn to UGX.3.7Tn. 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.3.7Tn**.**

Continued reliance on Net Domestic Financing Signals 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, the commercial banks will prefer lending to Government instead of the private sector thus affecting growth in the private sector.

The PS/ST explained that the rise in the stock of domestic debt was on account of the need to increase borrowing mainly to support the economy through the Covid-19 pandemic, and mitigate the negative social and economic impacts and also to support the economy amidst increasing global conflicts like the Russia-Ukraine war.

Recommendation

I 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 interests.

2.1.8.4 Continued high cost of Bond switches to Government - UGX.1.227Tn

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 Government of Uganda 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 totaling to UGX.1.227Tn during the FYs 2021/22 - 2022/23 down from UGX.905.53Bn in the FYs 2020/21 – 2021/22, which resulted into accumulation of accrued interest totaling to UGX.180.6Bn and UGX.1.184Tn in the FYs 2021/22 - 2022/23 and 2020/21 – 2021/22 respectively. Refer to the table below;

Table 13: Showing Bond Switches UGX1.227Tn

Instrument	Tenure	F/Y	Auction Date	Cost (UGX Bn)	Interest rate	Interest per annum (UGX Bn)	Total Interest Accumulated (UGX Bn)
Bond	2 Years	2021/22	10-Feb-22	149.06	10.999	16.40	32.791
Bond	10 Years	2021/22	10-Feb-22	49.40	17.000	8.40	83.979
Bond	10 Years	2021/22	10-Feb-22	69.45	16.000	11.11	111.112
Bond	15 Years	2021/22	10-Feb-22	11.39	16.000	1.82	27.342
Bond	20 Years	2021/22	10-Feb-22	98.61	17.500	17.26	345.135
Bond	3 years	2022/23	9-Feb-23	411.22	14.000	57.57	172.712
Bond	5 years	2022/23	9-Feb-23	26.53	14.125	3.75	18.738
Bond	10 years	2022/23	9-Feb-23	61.69	15.000	9.25	92.539
Bond	15 years	2022/23	9-Feb-23	204.18	16.000	32.67	490.042
Bond	20 years	2022/23	9-Feb-23	30.74	18.500	5.69	113.730
Bond	3 years	2022/23	10-Mar-23	35.80	14.000	5.01	15.038
Bond	5 years	2022/23	10-Mar-23	64.81	14.125	9.15	45.773
Bond	15 years	2022/23	10-Mar-23	5.26	16.000	.84	12.613
Bond	20 years	2022/23	10-Mar-23	9.09	18.500	1.68	33.649
Total				**1,227.24**		**180.60**	**1,595.193**

Further analysis revealed the following;

- The annual increase of Bond switches of UGX.471.41Bn from UGX.377.91Bn in FY2021/22 to UGX.849Bn in FY 2022/23 representing 125% upward movement.

- As part the approved budget for the FY 2022/23 for TOP, the cost value for the redemption of maturing bonds for UGX.849Bn was included and warranted. There is a risk of possible diversion of the already appropriated funds.

- There is an annual auction calendar for treasury bills and bonds approved and published in press. However, when it comes to bond switches, there appears to be no calendars at the beginning of the year.

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 overall Public debt.

The PS/ST explained that Bond switches are a tool for managing high refinancing and liquidity management in the domestic securities market. He further highlighted that the Government was implementing the fiscal consolidation agenda, and among others it will involve the reduction in debt. This over the course of time will lead to a reversal in the accumulation of domestic debt stock.

Recommendation

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

2.1.8.5 Continued Absence of a Policy to Guide SWAP arrangements

A Policy Framework serves as the guiding policy document for institutional development. The Policy Framework translates goals and objectives into attainable targets with outreaching impacts.

It was observed that the Treasury lacked a policy to steer debt swaps. In the absence of such a policy, there's a lack of structured and institutionalized interventions to ensure proper safeguards for public resources. The country's continued involvement in acquiring debt with floating interests from Bilateral countries and Commercial Banks using Libor and Eurobor interest rates underscores the necessity for implementing safeguards in these transactions.

It was further noted that the Government debt management policy on external debt does not give sufficient guidance on the use of instruments such as SWAPs in risk management. As a result, most products are market-driven which is exposing Government further to new risks.

The PS/ST explained that the Ministry was updating the Public Debt Management Framework that will contain principles undertaking financial derivatives including debt swaps, and also more specifically, Government would embark on the development of standalone guidelines for the undertaking of derivative transactions. These are expected to be in effect by December 2024.

Recommendation

I advised Government to follow through with his commitment and develop a policy on SWAPs to enable proper regulation and guidance of Public debt with floating interest rates.

2.1.8.6 Assessment of debt sustainability

2.1.8.6.1 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.

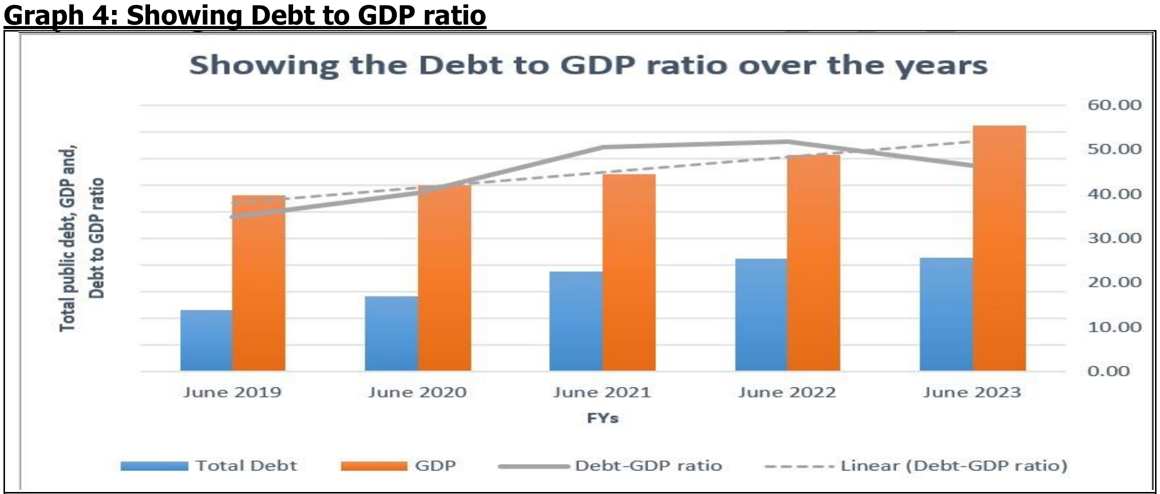
Though the IMF has recommended 50% as the point of safety, many developed countries have gone up to 200%. However, according to the IMF, the developing countries are more prone to economic shocks and exchange rate risk, thus advising on a 50% threshold.

A re-computation of Uganda's Debt to GDP revealed a consistent linear growth over a period of five years and in the year under review, it was noted that the Debt to GDP decreased by 0.7% from 53.4% to 52.7% in the FYs 2021/22 and FY 2022/23 respectively. The table and graph 4 below illustrates the movement;

Table 14: Showing debt position over the last 5 FYs

FY	Total Debt (UGX Bn)	GDP (UGX Bn)	Debt to GDP ratio
2018/19	46,057	132,090	0.349
2019/20	56,892	139,689	0.407
2020/21	75,119	148,310	0.506
2021/22	86,839	162,750	0.534
2022/23	97,499	184,895	0.527

Graph 4: Showing Debt to GDP ratio



Source: *Uganda Bureau of Statistics and DMFAS*

From the above, it can be seen that though Uganda's GDP has been increasing over the years since FY2018/19, its debt position has also increased. It is noted by the linear trend of the debt to GDP ratio over the years analysed to exhibit an increasing trend in the medium term, which creates a risk factor of accumulation of unsustainable debt.

The Country is now at 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.

The PS/ST explained that the Government was aware of the increase in debt levels, as a result of the need to finance development projects. He further highlighted that to maintain prudent and sustainable levels of public debt, Government was 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.

Recommendation

I advised Government to consider exploring ways of reducing dependence on debt while exploring avenues of enhancing revenue generation for the country and/or reducing/rationalising Government expenditures.

2.1.8.6.2 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 15: Table Showing interest to total revenue ratio

Financial year	Total domestic Revenue – UGX Bn	Total Interest – UGX Bn	% of Interest to revenue	Bench mark
2022/23	24.10	6.13	25.0	<12.5
2021/22	22.10	5.62	25.4	<12.5
2020/21	20.20	3.12	15.4	<12.5
2019/20	17.45	2.48	14.2	<12.5
2018/19	17.13	2.01	11.71	<12.5

It has been established that the interest to revenue benchmark has been overwhelmingly breached as evidenced above. It has been noted that 25.0% of the revenue being collected is being used to servicing interest payments.

This is gradually reducing the funds available for funding other critical Government expenditures. I noted that Government paid a total of UGX. 2,624Bn in principal debt repayment representing 10% of the domestic revenue collected in the year under review.

The Accounting Officer acknowledged the observation and explained that the Ministry had embarked on efforts to improve the country's credit rating in the medium term since a higher credit rating will attract more investors and lenders at favourable terms, which would in turn reduce the borrowing interest rates in the medium term.

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

2.1.8.7 High Penalty fees charged by BoU due to failure to Pay Debt - UGX.405Bn

Section 8 of MoU between Bank of Uganda (BoU) and Ministry of Finance, Planning and Economic Development (MoFPED) provides that while MoFPED will undertake to recapitalize BoU in accordance with the provisions under the BoU Act, BoU shall endeavour to maintain its financial viability and in the event of recurrent losses, BoU shall inform the Minister of the reasons for its financial position and the measures to reconstitute a healthy financial position.

Furthermore, Section 7.1(b) provides that BoU shall recover charges for its services to Government as and when due in accordance to a schedule that will be furnished to MoFPED in respect to the services offered. This schedule shall be amended from time to time.

I noted that BoU charged a total of UGX.16.657Bn as bank charges in the financial year under review. Audit also noted that BoU penalized Government to a tune of UGX.405.049Bn for failing to meet its contractual obligations for domestic debt that had matured in the year. There is a risk that BoU is consistently pushing Government into additional unsustainable debt due to the double funding it is currently obtaining i.e. high Bank charges and recapitalization.

The PS/ST explained that the Government had initiated discussions with Bank of Uganda with a view of revising these charges downwards or to institute a cap to reduce their strain on the budget.

Recommendation

Government is advised to review and obtain one funding line to enable BoU achieve its core mandate of monetary policy and further provide banking services to Government without necessarily pushing the country into unsustainable debt.

2.1.8.8 Continued incurrence of high Commitment fees

Commitment fees are paid for debt that has been contracted but not yet disbursed. A trend analysis of commitment fees paid over the past years revealed that the commitment fees have kept high. From the analysis done on the commission fees paid for the year under review, the following were noted;

- There was an increase by 44.5% between the FY2020/22 and FY22/23, UGX.38.8Bn that formed the bulk of commitment payments was a result of loans obtained for project support in the year under review.

- Most of the projects which incurred commitment fees over and above UGX.3Bn in the year included the Grid Rural Electrification, Opuya Moroto 132kv and the Upgrade Rwenjuye Apac–Lira Road under the IDB loans.

The details in the table below;

Table 16: Table Showing commitment fees

Financial year	Commitment fees Paid (UGX)Bn	Percentage charge
2022/23	112.018	45%
2021/22	77.524	-2%
2020/21	79.116	1%
2019/20	78.558	-10%
2018/19	87.766	140%
Total	**434.982**	

It was further noted that at the end of the financial year 2022/23, undisbursed loans stood at UGX.14.5Tn. The commitment fees are as a result of Government's failure to draw down and absorb contracted Government debt and the high administrative and management fees on loans incurred.

The above has increased Government expenditure on debt repayment, which leads to increased debt burden to the taxpayer.

The PS/ST explained that Commitment fees are charged by almost all Development Partners as a fee for managing a country's undisbursed resources. He further highlighted that Payment of commitment fees was undesirable and where it occurred, it was attributed to the key constraints identified in project implementation such as design challenges, right of way, delayed procurements, unreadiness of projects at loan/grant contracting stage, delays in fulfilling both disbursement and effectiveness conditions, poor project management, absence of counterpart funds, and slow land acquisition.

Recommendation

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

2.1.8.9 Review of loan Agreements

Review of different loans entered into between the Gou and different funders was conducted and the following observations made;

2.1.8.9.1 Review of interest rate swap agreements

The Government of Uganda entered into a loan agreement with Stanbic Bank and Standard Chartered Bank to facilitate the payments of a loan acquired for the construction of the Karuma Dam. The agreement would make available to the Government a fixed rate in regards to the foreign exchange. This would ensure that the Government could ably plan and make a budget for the payment of the loan. These agreements were to run from FY 2018/19 across the duration of the contract.

I noted that over the seven-year period to the year under review, Government has made payments of USD.36,408,153 to a return amount of USD.2,589,673.77. Table below refers;

Table 17: Table Showing payments and receipts under Interest rates swap

Date	Stanbic Bank(USD)	Standard Chartered Bank (USD)	Total (USD)
KARUMA INTEREST RATE SWAP PAYMENTS FROM INCEPTION TO DATE			
01.01.2021	3,970,530	3,444,434	7,414,964
01.01.2022	3,862,808	3,350,985	7,213,793
01.07.2021	3,871,965	3,358,929	7,230,894
01.07.2022	3,307,775	3,152,167	6,459,942
21.01.2017	444,347	385,471	829,818
21.01.2018	759,365	658,749	1,418,115
21.01.2019	62,260	54,011	116,271
21.01.2020	608,972	528,283	1,137,256
21.07.2017	567,523	492,326	1,059,848
21.07.2018	523,563	603,531	1,127,095
21.07.2020	1,285,225	1,114,932	2,400,157
Total	**19,264,333**	**17,143,818**	**36,408,153**
KARUMA INTEREST RATE SWAP RECEIPTS FROM INCEPTION TO DATE			
21.07.2019	359,171	311,581	670,752
01.01.2023	1,027,535	891,386	1,918,921
Total	**1,386,706**	**1,202,967**	**2,589,673**

Under the circumstances, there is a possibility that Government may make a financial loss by the end of the Swap period.

The PS/ST explained that going forward, Government will train officers to ensure that this subject is well understood and that the best hedging options are used in derivative transactions.

Recommendation

I advised the PS/ST to review and assess the risks and benefits of continuity with the swap arrangement for the remaining duration.

2.1.8.9.2 Penalties arising from cancellation of loans

During the course of the audit, it was identified that the Government had entered into a loan agreement with the AFD and KFW to borrow funds to execute Muzizi hydropower plant. The agreement imposed specific obligations on the Government, including the payment of commitment fees and service charges.

Subsequent to signing of the agreement, the Government opted to cancel the loan before completion, resulting in a financial loss incurred as a penalty for the cancellation of

UGX.5.564Bn. The financial loss is attributed to the forfeiture of commitment fees, service charges, or other penalties outlined in the loan agreement.

This loss may adversely affect the funding available for the Muzizi hydropower plant project, potentially impacting its successful implementation and completion. It further raises questions on necessity and evaluation of loans before signing by management to ensure implementation of projects to completion. Table below refers.

Table 18: Table Showing penalties arising from cancellation of loans.

LOAN NUMBER	LOAN NAME	DONOR	AMOUNT PAID (UGX)
20875000	331858 Muzizi hydropower plant-Cancellation	KFW	0.931
20876000	CUG 1054 Muzizi Hydro Power-cancellation & Commitment fees	AFD	4.633
Total			**5.564**

Failure to satisfy loan obligations leads to loss of public funds and negatively impacts on the image of the Government on the international scene.

The Accounting Officer explained that the cancellation was effected to pave way for design of other projects to benefit from the funding availed by the two partners and further clarified that management would continue to prioritise concessional loans over commercial loans in line with the public debt Management framework.

Recommendation

I advised management to carryout extensive assessment and planning to ensure that all loans signed are effectively utilized as agreed in the terms.

2.1.8.9.3 Continued borrowing of Non concessional loans for Budget support – USD.694,361,997

The Government Public Debt Management Framework 2018/19-22/23 provides that issuance of highly non-concessional and commercial borrowing, such as a Eurobond, will only be to finance projects that not only provide a higher economic return than the interest rate on the credit, but also enable GoU to generate sufficient fiscal return to meet the cost of the loan, and foreign currency to service the debt.

This is further highlighted in the Medium Term Debt Strategy which restricts 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.

However, I obtained and reviewed the external debt stock and noted that the Government obtained two (2) non-concessional loans for FY 22/23 amounting to USD.739,812,180 which was intended for budget support instead of infrastructure development. This therefore means that the Government obtained external debt at non-concessional terms to fund recurrent expenditure, such as wage and administrative expenditure at high interest rates which repayments are to be incurred in the short term. The table below refers;

Table 19: Table Showing Borrowing of Concessional loans for Budget Support

Donor	Purpose	Loan Type	Signature Date	Loan Amount (USD)
STANBIC BANK (UGANDA) LIMITED	Budget Support	Stanbic Bank	21/06/2023	545,450,182
STANDARD CHARTERED BANK	Budget Support	Standard Chartered Bank	22/12/2022	194,361,998
Total				**739,812,180**

It was further noted that Government obtained four (4) non-concessional loans were made for FY 2021/22 amounting to UGX.4.493Bn to fund recurrent expenditure implying that this recurrent practice.

The continued borrowing of non-concessional loans to fund budget support is contrary to the Public debt framework.

This non-compliance with the Public Debt Management framework exposes the Government to liquidity shortfalls since commercial loans have a short maturing period. The Government will further incur higher interest rates and contracting fees contrary to the concessional loans. In addition, non-concessional debt financing will increase financial leverage and financial risk.

The Accounting Officer explained that in line with the Public Debt Management Framework and the Medium-Term Debt Strategy, highly non-concessional and commercial borrowing including Budget Support had been restricted to financing infrastructure projects that are within the annual budget. He further highlighted that management will continue to prioritise concessional loans over commercial loans in line with the public debt Management framework.

Recommendation

I advised the Accounting Officer to obtain concessional loans in line with the public debt Management framework, to ensure that Government borrowing is subject to favorable terms.

2.1.9 EFFECTIVENESS OF NPA RETROSPECTIVE APPROVAL OF PROJECTS FUNDED BY LOANS AFTER CABINET RESOLUTIONS

The process of approval of projects funded by loans requires that the project proposal documents are submitted to the Development Committee for approval, after which the proposals are presented to cabinet, then to NPA and then finally to Parliament.

I observed that under the current approval arrangement, it is not practical for NPA to reject any project after cabinet has approved it. This therefore implies that the recommendations of NPA (whether for, or against the project) remain more or else advisory in nature and cannot be enforced, which limits their role as in the approval process. In addition, this denies cabinet the opportunity to consider the effect of any risks raised by the National Planning Authority if any, before a cabinet decision is taken.

Although the PS/ST explained that NPA was a member of the Development Committee and all their input pertaining to project is dully considered during review and appraisal of projects, I noted that the decisions of the member representing NPA on Development committee may not necessarily represent the official position of NPA as an entity in regard to this requirement above.

Recommendation

I advised the PS/ST to review the project approval guidelines to have NPA undertakes the reviews prior to cabinet approval.

2.1.10 DOMESTIC ARREARS

According to the commitment control system procedures, an accounting officer is supposed to commit Government only to the extent of available funds. In addition, in November 2016, the PS/ST issued a circular that prescribed the criteria to be met for arrears that can be recognised in the financial statements.

However, the trend of domestic arrears has continued to escalate at average of 16 % in the last five years despite several interventions by the Treasury. In addition, some accounting officers are concealing domestic arrears and paying for arrears which previously were not disclosed nor budgeted for (diversion of funds). In other instances, the arrears disclosed are not properly supported by evidence of goods or a service. I further observed that some entities have entered into multi-year commitments without parliamentary approval. Details of analysis are shown in the Table below;

Table 20: Table Showing Analysis of Domestic arrears for the last five financial years (Amounts in UGX Tn)

Liabilities	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Borrowings	46.408	56.884	69.602	77.967	86.078
Payables	3.335	3.839	4.652	7.578	10.502
Pension liabilities	0.292	0.274	0.162	0.471	0.316
Deposits	0.200	0.225	0.703	0.824	0.603
Total liabilities	**50.235**	**61.222**	**75.119**	**86.840**	**97.499**
%movement	0	22%	19%	13%	12.27%

It was further noted there is a persistent Growth of domestic arrears in number of votes with 100% increase from the previous financial year as indicated in the table below;

Table 21: Table Showing Growth in Domestic Arrears from Previous Financial year

SN	Ministry/Department	F/Y 2021/2022 UGX -Bn	F/Y 2022/2023 UGX-Bn	%age Increase
1	Treasury Operations	4,583.011	5,989740	31

SN	Ministry/Department	F/Y 2021/2022 UGX -Bn	F/Y 2022/2023 UGX-Bn	%age Increase
2	Ministry of Finance, Planning and Economic	473.154	976.498	106
3	Uganda National Roads Authority	471.827	621.496	32
4	Ministry Of Defence	235.821	425.570	80
5	Ministry Of Works And Transport	75.367	215,418	186
6	Ministry Of Water & Environment	93.048	196.027	111
7	Prisons	81.658	182.356	123
8	Ministry Of Education And Sports	77.427	127.208	64
9	Police	77.318	108.971	41
10	KCCA	9.238	103.858	1024
11	NITA-U	21.847	40.196	84

This further supports the declining control system of Government Debt, and the need to rethink the current control measures being applied.

The PS/ST explained that Government was implementing the Domestic Arrears management strategy which had been approved by Cabinet. The Strategy will be evaluated effective 2024/25 to review further action in minimizing Domestic Arrears and will form a basis for a new approach to addressing the accumulated stock of arrears for clearance.

Recommendation

I advised the to ensure that the trend in domestic arrears is management strategically to reduce the risk of increased government debt.

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 (as amended), 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 (as amended), 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;

2.1.11 FAILURE TO OBTAIN APPROPRIATION FOR BONUS PAID BY URA - UGX.11.63Bn

Paragraph 4(a) of the Policy and Procedures for the Payment of bonus to URA Staff desires that the staff shall be entitled to staff only when URA exceeds the Government's set revenue target for a specific financial year.

Audit noted that URA requested and paid UGX.11.63Bn as bonus for the period 2021/22 for meeting the revenue target for the 2021-2022 financial year. However, I noted that URA did not secure Parliamentary approval for supplementary funding to pay the bonus as required under Section 25 of the Public Finance and Management Act 2015. Although the Minister of Finance Planning and Economic Development permitted the Accounting Officer to retain UGX.14.676Bn, subject to subsequent Parliamentary approval, there was no evidence that the parliamentary approval was granted. Making bonus payments without the Parliament's Approval is irregular.

The PS/ST explained that the approval process for the supplementary request was not completed in time.

Recommendation

I advised the PS/ST to always initiate all such requests for parliamentary approval, in good time, to allow the subsequent processes at Parliament to be undertaken so as to complete the approval process.

2.1.12 ABSENCE OF A NATIONAL RESEARCH AGENDA

I observed that in the financial year 2022/2023 government disbursed funds into the research fund for undertaking various research. I however observed that currently there was no consolidated research agenda which the country was pursuing.

As a result, the funding into the research fund was being used on uncoordinated and un-harmonised manner by the different beneficiaries since each of them was pursuing different research objectives due to lack of a common and harmonised research agenda for the country.

The PS/ST explained that over the years, Government through the MoFPED had been providing funding for both policy and applied research. The funding for applied research was being provided to MoSTI as part of the innovation fund.

Recommendation

I advised the PS/ST to spearhead the formulation of a comprehensive research agenda, together with other stakeholders in order to harmonise the various forms of research in the country.

2.1.13 IMPLEMENTATION OF PUBLIC FINANCIAL MANAGEMENT SYSTEM

Public Financial Management (PFM) refers to the set of rules, laws, systems and processes used by sovereign nations, to mobilize revenue, allocate public funds, undertake public spending, account for funds and audit results. 'PFM systems' are a series of sub-systems with very different roles, purposes and objectives. A sound PFM is critical for service delivery. Therefore, an efficient and effective PFM system in Uganda is a necessary condition for achieving Uganda's vision 2040, Sustainable Development Agenda, 2030 National Development Plan III objectives, and strengthen disaster Preparedness.

In Uganda the Public Finance Management Act (PFMA), 2015 provides for the legal and regulatory framework for the management of: Macroeconomic and Fiscal Policies; Budget Preparation and Approval; Contingencies Fund; Cash and Asset Management; Public Debt, Grants and Guarantees Management and Petroleum Revenue Management. Accordingly, a number of Public Financial Management (PFM) reforms have been undertaken and others currently ongoing throughout Government aimed at strengthening the financial management function in Government.

Over the years, I have been making important observations at individual entity level during thematic audit of budget performance on annual basis. Some of the observations included; failure to budget for activities, diversions/mischarges, underperformance of revenues, implementation of off-budget activities, non-quantified outputs, under absorption, partial and non-implementation of activities, and low levels of service delivery among others.

Therefore, since the PFM processes build on each other and are interrelated involving several Government entities, I undertook a PFM audit on six (06) selected Government entities namely: Ministry of Finance, Planning and Economic Development(MoFPED), Uganda Revenue Authority(URA), Parliament, Ministry of Works and Transport(MoWT), Ministry of Water and Environment (MoWE) and Ministry of Health (MoH); to identify any systemic performance problems and their underlying root causes to facilitate making evidence based recommendations for corrective action.

The overall objective of the PFM audit was "To Assess the Effectiveness of the Implementation of Public Financial Management System along the whole Budget cycle for the financial year 2022/2023." The assessment was undertaken on the following five (05) key PFM Processes;

i) Macro-Economic Policy, Fiscal Policy and Strategic Budgeting;
ii) Budget preparation;
iii) Budget approval;
iv) Financial Management & Service Delivery;
v) Accounting, Reporting & Oversight.

Overall Finding

The overall average Government PFM system performance based on the selected entities during the financial year 2022/23 was 3.0, out of the desired performance target grade of 4.0, which is fairly satisfactory performance. This implies that Government needs to review the PFM reforms and address the areas of improvement identified, so as to realize the intended objectives as outlined in the National PFM Reform Strategy and the National Development Plan.

I have also issued a separate detailed audit report in regard to the PFM audit.

John F. S. Muwanga
AUDITOR GENERAL

29th December 2023

2.2 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 2023

2.2.1 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 2023, 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 seventy-seven (77) public corporations and state enterprises were supposed to be consolidated (Appendix 1 refers) in accordance with Section 52 (1c) of the Public Finance Management Act (PFMA), 2015. However, only sixty-two (62) entities were consolidated, of which twenty-one (21) were consolidated under Uganda Development Corporation (UDC), four (4) under National Enterprises Corporation (NEC) and two (2) under Uganda National Oil Company (UNOC), leaving fifteen (15) entities not consolidated.

I further noted that of the fifteen (15) entities not consolidated by the Accountant General, twelve (11) were disclosed and four (4) were not disclosed in the consolidated summary statements. The table below refers.

Table 22: Showing entities not consolidated

SN	Entities Disclosed in the Summary Statement	
	Entity Name	**Remark**
1	UGMA Engineering Corporation Limited	Did not submit Financial Statements on time.
2	Enterprise Uganda Limited	Company Limited by Guarantee
3	Uganda Energy Credit Capitalization Co. Ltd	Company Limited by Guarantee
4	Nakivubo War Memorial Stadium	Concession
5	Uganda Crane Industries Ltd.	Reason for non-consolidation not Availed
6	Production Enterprises Corporation Limited	Reason for non-consolidation not Availed
7	Kampala Industries and Business Park Limited	Reason for non-consolidation not Availed
8	Science and Technology Equipment Production (Unit) Ltd	Reason for non-consolidation not Availed
9	Housing Finance Investments	Reason for non-consolidation not Availed
10	Bujagali Energy Limited	Concession
11	Dairy Corporation Limited	Reason for non-consolidation not Availed
	Entities not disclosed in the summary Statement	
12	Uganda Fisheries Enterprises Limited	Reason for non-consolidation not Availed
13	Insurance Training college	Reason for non-consolidation not Availed
14	Uganda Telecommunications Corporation Limited(UTCL)	Reason for non-consolidation not Availed
15	Uganda Hotel and Tourism Training Institute	Reason for non-consolidation not Availed

I also noted that whereas eleven (11) Companies were stated as not consolidated in the consolidated summary statement of financial performance of public corporations and state enterprises due to their management not being traceable or dormant, the listing of the eleven (11) companies was not disclosed in the summary statement.

In the absence of the summary performance of the above mentioned entities, 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 corporations and state enterprises.

I advised the Accountant General to establish a comprehensive database for all Public Corporations and State Enterprises which should capture 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, the 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 Appendix 2;

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.

2.2.2 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 twenty (28) entities out of the 77 Public Corporations and State Enterprises.

From the financial performance analysis undertaken, I noted the following;

c) Profitability of Enterprises

I analysed profitability of twenty (23) public corporations and state enterprises and noted that only fourteen (14) made profits/surplus in the year under review, with Uganda Electricity Transmission Company Limited (UETCL), National Water and Sewerage Corporation (NWSC), Civil Aviation Authority (CAA) Uganda Electricity Generation Company (UEGCL) and National Housing and Construction Company Limited posting profits of UGX.95Bn, UGX.41Bn, UGX.40Bn, UGX.34Bn and UGX.33Bn, respectively. I further noted that the significant increase in UETCL's surplus was as a result of a foreign exchange gain of UGX.60.16Bn recognised during the year.

In comparison with the previous year, a number of state enterprises and corporations including; Uganda Electricity Distribution Company, Uganda Printing and Publishing Corporation, New Vision Printing and Publishing Company Limited, Uganda Air Cargo Corporation, Uganda Railways Corporation and Uganda National Airlines Company registered an increment in losses. The table below refers.

Losses may affect the entities' ability to meet future obligations or investments.

Table 23: Profitability of Public Corporation and State Enterprises

No.	Entity	2022/2023 (UGX Bn)	2021/2022 (UGX Bn)	% Increase /Decrease	Response
1	Uganda Electricity Transmission Company	95	37.70	152	The increase was majorly due to a foreign exchange gain of UGX.60.16Bn recognised during the year and increase in energy sales by UGX.35.298,000,0 from UGX 1,350,394,000 in the previous year.
2	National Water and Sewerage Corporation	41	-38.87	205	Profitability of the Corporation has substantially improved through efficiency gains and business growth.
3	Civil Aviation Authority	40	-10.83	469	In the previous year the reported deficit was largely attributed to the fact that the aviation industry especially on the African continent was still recovering from the negative effects of COVID-19.
4	Uganda Electricity Generation Company	34	27.86	22	No Management response
5	National Housing and Construction Company Limited	33	15.38	115	Management attributed the profits improvement in the FY 20/21 and 22/23 to fair value gains on investment property, while the low profits registered in

No.	Entity	2022/2023 (UGX Bn)	2021/2022 (UGX Bn)	% Increase /Decrease	Response
					FY 21/22 was a result of the low sale of housing stock
6	NEC Luwero Industries Limited	8	7.88	2	No Management response
7	NEC Construction Works & Engineering Limited	5	4.35	15	No Management response
8	NEC AGRO SMC Limited	4	1.64	144	No Management response
9	Mandela National Stadium	2	78.79	-98	The Accounting Officer explained that stadium was under renovation and upgrade by the UPDF Engineering Brigade and the surplus would improve once the facilities are fully rehabilitated and the company resumes normal operation
10	Insurance Training College	2	1.99	0.5	Management has put in place strategies to enhance revenue growth as well as manage costs to increase the surplus
11	Uganda Posts Limited	0.905	0.805	12	No Management response
12	Insurance Regulatory Authority	0.44	3.66	-88	No Management response
13	Soroti Fruits Limited	0.824	-5.50	115	Management is continuously improving its efficiency, and innovation in production, marketing and quality to increase revenue generation. Management is also lobbying for funding from the Government to help in implementing various marketing activities such as advertising, promotions, procurement of distribution infrastructure and putting in place international certifications such as FSSC 220000. The internationally recognized food safety certification will open global markets

No.	Entity	2022/2023 (UGX Bn)	2021/2022 (UGX Bn)	% Increase/Decrease	Response
14	Nile Hotel International Limited	0.926Bn	-24.5	103.7	No Management response
15	NEC Uzima Limited	0.16	0.19	-16	management has negotiated for fair raw material prices in the running FYR 2023/2024 and some suppliers have responded positively while others are still being engaged which will reduce cost of production
16	NEC Farm Katonga Limited	-0.07	0.25	-128	the sales were affected by animal quarantines and dry spells in the cattle corridor.
17	Uganda Electricity Distribution Company	-2	-0.09	2122	The net deficit was attributed to unclaimed depreciation charge disallowed by ERA is order to keep the tariff low
18	Uganda Printing and Publishing Corporation	-3	1.20	-350	No Management response
19	New Vision Printing and Publishing Company Limited	-5	0.99	-605	No Management response
20	Uganda Air Cargo Corporation	-10	-9.04	11	No Management response
21	Uganda Development corporation	-24.8	-6.4	287	No Management response
22	Uganda Railways Corporation	-35.17	-32.33	9	This is attributed to sharp increase in the administrative expenses which included contract staff salaries, legal expenses, consultancy services and consultancy and engineering design studies which increased from UGX 19.286Bn last year (2021/22) to 31.208 in the current year (2022/23).
23	Uganda National Airlines Company Limited	-325	-265.91	22	This was due to significant increase in direct cost by UGX.140.803bn representing an increase of 39.8%. The major cost drivers included; aviation fuel, Crew Allowances, Crew

No.	Entity	2022/2023 (UGX Bn)	2021/2022 (UGX Bn)	% Increase /Decrease	Response
					salaries and Pilot Training, and depreciation.

Similarly, I assessed the profitability of the 5 financial institutions and noted that all the 5 institutions were profitable for the 2 consecutive years. However, the profitability of Bank of Uganda and Microfinance Support Centre Ltd declined by 54.03% and 67.5% respectively from the previous year. The details are shown in table below;

Table 24: Profitability for the Financial Institutions

No	Entity	2022/2023 (UGX Bn)	2021/2022 (UGX Bn)	% Increase /Decrease	Response
1	Bank of Uganda	231.2	502.9	-54.03	No management response
2	Housing Finance Bank	58.5	40.9	43.03	No management response
3	Uganda Development Bank Ltd	42.5	38.8	9.54	No management response
4	Post Bank Limited	15.1	12.2	23.77	No management response
5	Microfinance Support Centre Ltd	3.61	11.1	-67.48	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.

d) Operating Margin

I analysed the Operating margin of fifteen (15) public corporations and state enterprises to measures the extent to which they were able to meet their operating costs, while remaining profitable and I noted that only Uganda Electricity Generation Company (22.5%) and Uganda Electricity Distribution Company (16.8%) had operating margin higher than 15% which was considered good however these also declined from the previous year from 31.4% and 24.9% respectively.

I further noted that despite having operating margin lower than 15%, the operating margins of; Civil Aviation Authority, Uganda Electricity Transmission Company, Uganda Posts Limited, New Vision Printing and Publishing Company Limited, National Water and Sewerage Corporation had improved from the prior year.

Additionally, despite having operating margin lower than 15%, the operating margins of; NEC Construction Works & Engineering Limited, NEC Uzima Limited, NEC AGRO SMC

Limited, Insurance Regulatory Authority, Insurance Training College, Uganda National Airlines Company Limited, NEC Farm Katonga Limited, Uganda Railways Corporation had further declined from the previous year. The table 4 below refers.

A decreased operating margin may indicate potential challenges to the company in covering operating costs, which poses a risk to the company's financial stability. It could also lead to challenges in investing in expansion.

Table 25: Operating Margin of Public Corporation and State Enterprises

Sn	Entity	Operating Margin (%)		Increase/Decrease	Reason
		2022/2023	2021/2022		
1.	Uganda Electricity Generation Company	22.50	31.40	-8.90	This was attributed to increased administration costs arising from the takeover of Nalubaale-Kiira dam
2.	Uganda Electricity Distribution Company	16.80	24.9	-8.1	The performance decline was attributed to rising costs of sales and staff and administrative expenses. Additionally, there was a substantial decrease in lease revenue, by 46%, from UGX.14.914Nn to UGX.8.050Bn between the financial years 2021/22 and 2022/23. A decreasing operating margin signifies inefficiencies in operations.
3.	Civil Aviation Authority	12.30	10.50	1.80	This is mainly attributed to increase in operating revenue from operation by 36.1% from last year due to continuous recovery of aviation industry from the negative effects of COVID -19.
4.	Uganda Electricity Transmission Company	9.00	4.00	5.00	This increase can be primarily attributed to a decline in the Company's total expenses, indicating an increased proportion of revenues available to cover operational costs, thereby facilitating profit generation

Sn	Entity	Operating Margin (%)		Increase/Decrease	Reason
		2022/2023	2021/2022		
5.	Uganda Posts Limited	8.6	5.2	3.4	No Management response
6.	New Vision Printing and Publishing Company Limited	6.23	0.89	5.34	No Management response
7.	National Water and Sewerage Corporation	5.90	-0.26	6.16	The profitability of the Corporation has substantially improved through efficiency gains and business growth.
8.	NEC Construction Works & Engineering Limited	5.9	8.8	-2.90	This was attributed to persistent global price increases in the foreign exchange rate and construction materials. In addition, some of the projects are executed at cost and more so projects of National interest and in-house projects.
9.	NEC Uzima Limited	5.1	6.2	-1.10	There were effects of increase in operational costs such as fuel and raw materials, which reduced the operating margin in totality.
10.	NEC AGRO SMC Limited	5.1	7.4	-2.30	The Main source of revenue is derived from food supply to the MODVA. Putting a margin of 15% will make our prices uncompetitive hence loss of business. Management has instituted a number of measures to improve operating margins
11.	Insurance Regulatory Authority	4.1	23.3	-19.2	No Management response
12.	Insurance Training College	0.23	0.34	-0.11	The observed performance may be attributed to increase in operating expenditure from UGX.5.019Bn in 2021/22 to UGX.7.539 in 2022/23

Sn	Entity	Operating Margin (%)		Increase/Decrease	Reason
		2022/2023	2021/2022		
13.	Uganda National Airlines Company Limited	-0.14	-114.80	114.66	The improvement is attributed to majorly increase in revenue from UGX.141.7Bn last year to UGX.230.4Bn this year.
14.	NEC Farm Katonga Limited	-2.2	15	-17.20	NFK was undertaking activities such as restocking & animal sales to improve the financial performance.
15.	Uganda Railways Corporation	-97.00	-1.90	-95.10	The slight improvement is attributed to an increase in the total revenue by 13.8% from 28.16Bn last year to 32.06Bn this year.

I advised the Accounting Officers of the affected entities to institute measures to improve the Operating margin such as better management controls and more efficient use of resources by conducting a review of the company's cost structure, including staff and administrative expenses, identifying areas where cost efficiencies can be achieved without compromising the quality of products or services.

e) 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 twenty-two (22) enterprises/corporations and noted that three (3) entities, including; Uganda National Airlines Company Limited, NEC Luwero Industries Limited and NEC AGRO SMC Limited posted a favourable ROA of over 5%. However, eighteen (19) enterprises/corporations registered a poor performance on ROA of below 5%. The worst performing enterprises were; Uganda Development Corporation, New Vision Printing and Publishing Company Limited, Uganda Printing and Publishing Corporation, Uganda Railways Corporation, NEC Farm Katonga Limited and Uganda Electricity Distribution Company among others.

The noted performance was mainly attributed to low revenue performance and high cost of operations for entities such as NEC Luwero Industries Limited, Uganda Printing and Publishing Corporation and Uganda Railways Corporation among others. For the electricity sub-sector, the low ROAs were attributed to delayed project completion, ineffective asset management, increased technical and commercial costs. The table below refers;

Table 26: Returns on Assets

No.	Entity	Return On Asset (%)		Response
		2022/2023	2021/2022	
1	Uganda National Airlines Company Limited	33.30	-23.00	This is partly attributed to the delays in the opening of the medium haul routes on which the Airbuses were supposed to be deployed and so during the period, the equipment were underutilized.
2	NEC Luwero Industries Limited	14.90	17	The Accounting Officer explained that the slight reduction in profitability attributed to an increase in salaries and the cost of construction of a new landfill during the year.
3	NEC AGRO SMC Limited	13.70	19.00	The decrease was attributed to the advance payment on the Grain Storage, Milling and Supply equipment at UGX.3.534Bn, which increased the value of assets.
4	National Water and Sewerage Corporation	0.8	-0.03	This ratio greatly improved due to heavy investment on income generating infrastructure coupled with efficiency gains.
5	National Housing and Construction Company Limited (F/Ss June 2020)	4.80	0.10	The Accounting Officer explained that the Company asset portfolio and classification, are largely in form of investment properties such as land for future project development, properties and construction equipment. These have been largely held for NHCCL project use
6	NEC Construction Works & Engineering Limited	4.40	7.50	Performance was attributed persistent global price increases in construction materials after costing the projects and contracts prices had been drawn and signed
7	Uganda Electricity Transmission Company	2.28	1.06	The inadequacy of the ROA can be attributed to the presence of several on-going projects that are still under Work in Progress (WIP) status, currently not generating revenue. These projects indicate a misalignment between asset deployment and revenue generation, leading to the company's lower than expected income from its asset base.
8	NEC Uzima Limited	2.10	1.90	ROA was low because the installation and commissioning of newly acquired production line took

No.	Entity	Return On Asset (%)		Response
		2022/2023	2021/2022	
				half of the FYR and was commissioned in Feb 2023 and it is now operational.
9	Uganda Electricity Generation Company	1.04	0.93	This was attributed to operational inefficiencies such as; increased operating costs, delays in project completion, particularly the on-going Karuma Hydropower Project (HPP). These challenges hindered the company's ability to maximise the revenue potential of its assets
10	Mandela National Stadium	0.90	30.00	This performance is attributed to the fact that the stadium is currently under renovation and cannot be used to generate income.
11	Civil Aviation Authority	0.84	1.20	The decline of ROA from 1.2% to 0.84% despite the increase in revenue is explained by the major increase in total assets by 131.1%.
12	Uganda Posts Limited	0.8	0.9	No Management response
13	Insurance Regulatory Authority	0.6	5.3	No Management response
14	Nile Hotel International limited	0.4	0.4	No Management response
15	Insurance Training College	0.14	0.12	No Management response
16	Soroti Fruits Limited	0.016	-0.12	The asset base was reported to also have increased slightly from UGX.45.035 billion in the prior year to UGX.51.303 billion as at 30th June 2023
17	Uganda Electricity Distribution Company	-0.11	-0.004	This decline in ROA could be attributed to various factors, such as; ineffective asset management, increased operational costs, increased technical and commercial losses or a decline in revenue generation relative to the asset base.
18	NEC Farm Katonga Limited	-0.60	2.60	the negative return on assets was caused by the high unit costs of agricultural inputs and seedlings in the first season of implementation of the food security program
19	Uganda Railways Corporation	-0.82	-0.85	No management response.

No.	Entity	Return On Asset (%)		Response
		2022/2023	2021/2022	
20	Uganda Printing and Publishing Corporation	-8.00	5.00	This was due to old machinery which continue to break down and running at high costs due to old technology
21	New Vision Printing and Publishing Company Limited	-9.52	6.15	No management response.
22	Uganda Development Corporation	-24.7	-0.9	No management response.

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 five (5)) Financial Institutions and noted that the ROA of Housing Finance Bank, Bank of Uganda, and Microfinance Support Centre Ltd improved compared to the previous year with exception of Post Bank Limited and Uganda Development Bank Ltd. The details are shown in table below;

Table 27: Return on Asset for the Financial Institutions

No.	Entity	Return On Asset (%)		Response
		2022/2023	2021/2022	
1	Housing Finance Bank	12.00	11.50	No management response
2	Post Bank Limited	10.60	13.00	No management response
3	Uganda Development Bank Ltd	7.70	8.90	No management response
4	Bank of Uganda	3.60	1.10	No management response
5	Microfinance Support Centre Ltd	1.10	-0.04	No management response

I advised the entities to institute mechanisms to increase income generation from use of their assets.

f) Dividends

I noted that, only Housing Finance Bank Limited proposed a dividend of UGX.29.23Bn in the year under review up from UGX.20.49Bn proposed in the prior year.

I further noted that although some companies were making significant amounts of profits, they were not paying dividends to Government. Examples included; UETCL, National Water and Sewerage Corporation, National Housing and Construction Company Limited, UEGCL, NEC Luwero Industries Limited, and NEC Construction Works & Engineering Limited, Uganda Development Bank Ltd, Post Bank Limited among others

The enterprises attributed the non-payment of dividends to retention of funds to fund planned investments/projects.

I advised the Accountant General to ensure that entities operationalise dividend policies that provide for equitable allocation of profits to investment as well as shareholders.

g) 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 fourteen (14) entities were above the ideal threshold, implying that they are able to meet their liabilities as they fall due. However, out of the fourteen (14) entities, seven (7) had excessively higher current ratios of 4 and above, these included; Uganda Development corporation, Mandela National Stadium, NEC Farm Katonga Limited, 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.

Eight (8) entities had ratios below 1.5 and may have a challenge of paying their obligations as and when they fall due, these included; Uganda Printing and Publishing Corporation, Nile Hotel international limited, NEC Construction Works & Engineering Limited, New Vision Printing and Publishing Company Limited, Uganda Railways Corporation, Uganda posts limited, Uganda National Airlines Company Limited and Uganda Electricity Generation Company. The table below refers.

Table 28: Liquidity Assessment

No	Entity	Current Ratio		Remarks
		2022/2023	2021/2022	
1	Uganda Development corporation	56.4	46.3	No management response
2	Mandela National Stadium	45.70	30.03	The decline in revenue generated during the year under review was attributed to the fact that the Company did not receive the balance of UGX.17.764Bn government support to complete the renovation works for phase one
3	NEC Farm Katonga Limited	39.20	0.00	No management response
4	NEC Luwero Industries Limited	23.20	20.30	No management response
5	Uganda Electricity Distribution Company	12.50	10.50	This performance was attributed to an increase in the Company's current asset during the year under review
6	Soroti Fruits Limited	9.60	4.90	This performance was attributed to an abrupt increase in current assets from UGX.3.317 Bn in the previous year to UGX. 11.178 Bn in the current year

No	Entity	Current Ratio		Remarks
		2022/2023	2021/2022	
7	Civil Aviation Authority	4.47	4.00	No management response
8	Insurance Training College	3.90	2.40	This performance may be attributable to the decrease in payables and accrued expenses
9	NEC AGRO SMC Limited	3.80	10.71	The company's high current ratio is attributed to the nature of business the company is engaged which requires it to keep cash available to settle suppliers
10	Uganda Air Cargo Corporation	3.30	3.60	debtors contribute 69.2% of total near cash assets (current assets) and that it shall endeavour to have the outstanding debts collected in order to realize the cash collected
11	NEC Uzima Limited	2.40	2.20	The Accounting Officer explained that as the company increases its operations, more supplies in form of raw materials, consumables and other supplies also increase
12	National Water and Sewerage Corporation	2.08	1.74	The ration shows improvement. The current assets adequately cover the current liabilities and it is within the best practice. The improvement is due to fiscal discipline which we intend to continue with.
13	Uganda Electricity Transmission Company	2.02	2.05	The registered performance during the period could be attributed to a slight decline of 4.33% in the current assets such as cash and bank balances and trade and other receivables
14	Insurance Regulatory Authority	1.6	2.0	No management response
15	Uganda Printing and Publishing Corporation	1.40	2.80	UPPC is also prioritizing paying its suppliers to improve its working capital.
16	Nile Hotel international limited	1.1	27	No management response
17	NEC Construction Works & Engineering Limited	1.10	1.30	Accounting Officer explained that a deeper analysis will be undertaken to determine what is affecting the liquidity position of the company.
18	New Vision Printing and Publishing Company Limited	1.00	1.56	No management response
19	Uganda Railways Corporation	0.99	2.78	This is majorly attributable to the reclassification of Other Receivables (28Bn due from UNRA relating to

No	Entity	Current Ratio		Remarks
		2022/2023	2021/2022	
				flyover and 69Bn due from MoFPED, relating to Nsambya Land Compensation) to Contingent assets
20	Uganda posts limited	0.9	0.8	No management response
21	Uganda National Airlines Company Limited	0.82	1.40	No management response
22	Uganda Electricity Generation Company	0.24	0.27	This was attributed to inclusion of current liabilities from the Isimba loan, recognition of only energy sold, rather than the capacity of the HPP as outlined in the Power Purchasing Agreements which results in a disproportionate increase in short-term obligations compared to current assets.

For the financial institutions, I noted that the Loans and advances to customers for the 3 out of the 4 Banks increased on average from UGX. 513.955Bn to UGX. 652.495Bn in the current year (31st Dec 2022). The Uganda Development Bank had the highest Loans and Advance deposits to customers of UGX. 1220.89Bn while Microfinance Support Centre Ltd had the lowest Loans and Advance deposits to customers of UGX. 131.63Bn. The details are as per the table below;

Table 29: Loans and Advances performance

SN	Bank	31st Dec 2022 (UGX) "Bn"	31st Dec 2021 (UGX) "Bn"
1	Post Bank Limited	479.52	454.86
2	Housing Finance Bank	777.94	674.33
3	Uganda Development Bank	1220.89	781.66
4	Microfinance Support Centre Ltd	131.63	144.97
	Average	**652.495**	**513.955**

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.

I advised the accounting officers of the affected institutions to strengthen their treasury/working capital management strategies to ensure speedy collection of debts and reduction of liabilities.

h) 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.

Thirteen (13) out of the nineteen (19) 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 six (6) enterprises which had a debt ratio above 50%.

The table below refers. This was majorly attributed to inadequate funding required to repay outstanding loan obligations.

Table 30: Showing Debt Analysis

No.	Entity	Debt Ratio (%)		Reason
		2022/2023	2021/2022	
1	Uganda Electricity Generation Company	88.00	88.00	The energy billing approach has hindered the company's ability to efficiently service the loan due to lower revenues, despite MoFPED advising UEGCL to make payments within its capacity, given that the loans are government-guaranteed.
2	NEC Construction Works & Engineering Limited	86.30	66.60	Accounting Officer explained that a deeper analysis will be undertaken to determine what is affecting the liquidity position of the company.
3	Uganda Electricity Distribution Company	82.55	10.31	The Company debt primarily arises from the financial liability on the buy-out amount of UMEME
4	National Water and Sewerage Corporation	66.95	64.95	The Corporation is implementing a number of water projects across the country. The slight increase in the ratio was due to additional loan disbursements during the year. It is noted that all our Market Finance loans were performing well.
5	Uganda Electricity Transmission Company	66.09	67.40	The high debt ratio can be attributed to various factors, including; the company's financial decisions, capital structure, and borrowing activities during the period. These factors, combined, have led to the high debt ratio, indicating a higher reliance on debt to finance the company's assets
6	NEC Uzima Limited	51.00	55.00	The debt ratio relates to the internal borrowings from NEC Luwero, which were used to procure the new production line and construct the factory building.
7	Civil Aviation Authority	37.42	48.00	The reduction was majorly attributed to the increase of total assets by 131.1%.
8	NEC AGRO SMC Limited	27.00	3.10	Increase is attributed to the newly acquired business of supply of maize

No.	Entity	Debt Ratio (%) 2022/2023	2021/2022	Reason
				flour to all UPDF units across the country
9	Insurance Regulatory Authority	20.7	17.6	No management response
10	Uganda National Airlines Company Limited	13.35	6.10	The lower debt ratio was majorly due to the fact that the entity did not have any Fixed Long Term Debts.
11	Uganda Air Cargo Corporation	7.20	7.67	Management shall strive to enter into Partnerships and Joint ventures with potential partners with the sole intention of increasing revenue generation, hence return the Corporation to a profit-making path
12	Nile Hotel international limited	2.8	0.2	No Management response
13	Uganda Railways Corporation	1.69	3.07	No Management response
14	NEC Luwero Industries Limited	1.30	2.50	No Management response
15	Soroti Fruits Limited	0.23	0.01	The observed gearing level was attributed to a KOICA grant of UGX.10.555 billion which increased the Company's debt portfolio in the current year
16	Uganda Post Limited	0.2	0.3	No Management response
17	National Housing and Construction Company Limited (F/Ss June 2020)	0.14	0.00	The Accounting Officer explained that it is the company's deliberate action to maintain low company gearing ratios on account of financing costs having a significant cost effect on housing unit pricing. On average, it influences 15% of housing unit pricing. Accordingly, the company has grown total assets to the tune of UGX 696 billion while reducing total liabilities to UGX 72 billion
18	Insurance Training College	0.09	0.69	No Management response
19	Uganda Development Corporation	0.02	0.04	No Management response

I advised the enterprises to review their debt-to-equity mix and keep an appropriate balance to ensure entity profitability.

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 61% of the assessed companies made profits while 39% 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. Unprofitable 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: KEY FINDINGS FROM PROGRAMME AUDITS

3.1. Review of the programmatic approach to planning and budgeting

Background

One of the key reforms in the Government financial management system ushered in by the National Development Plan III was the programmatic approach to budgeting and planning which replaced the sector-wide approach. The Government adopted this as the implementation approach for the NDP-III, which covers the period 2020/2021-2024/2025.

The programme approach is expected to facilitate the achievement of national development objectives in a coherent, coordinated and participatory manner. The approach focuses on; the delivery of common results, strengthening the alignment of planning and budgeting frameworks to the Program-Based Budgeting System and enhancing synergies across Ministries, Departments, Agencies and Local Governments (MDA&LGs). The Approach is expected to reduce a 'silo' approach to implementation of government activities there by reducing duplication and wastage if resources. Government is organized in 20 programmes as listed in the table below;

Table 31: Showing the 20 programmes

No	Programme	Lead Entity
1	Agro-Industrialization Programme	Ministry of Agriculture
2	Governance and Security Programme	Office of the President
3	Public Sector Transformation Programme	Ministry of Public Service
4	Regional Development Programme	Ministry of Local Government
5	Administration of Justice	Judiciary
6	Legislation, Oversight and Representation	Parliamentary Commission
7	Mineral Development Programme	Ministry of Energy
8	Sustainable Development of Petroleum Resources	Ministry of Energy
9	Climate Change, Natural Resources , Environment and Water Management Development Programme	Ministry of Water
10	Sustainable Energy Development Programme	Ministry of Water
11	Sustainable Urbanization and Housing	Ministry of Lands
12	Human Capital Development Programme	Ministry of Education
13	Community Mobilization and Mindset Change Programme	Ministry of Gender
14	Tourism Development Programme	Ministry of Tourism
15	Private Sector Development Programme	Ministry of Finance
16	Manufacturing Programme	Ministry of Trade
17	Digital Transformation Programme	Ministry of ICT
18	Innovation, Technology Development and Transfer	Ministry of Science
19	Development Plan Implementation Programme	Ministry of Finance
20	Integrated Transport Infrastructure and Services	Ministry of Works

Planning and budgeting for the financial year 2022/2023 was done following the programmatic approach, and efforts were made to align the implementation and reporting of performance to the same. I undertook a review of the implementation of this approach by government and noted the following;

3.1.1 Area of commendable performance

Government reconfigured the budgeting system (PBS) and financial management system (IFMS) to realign them with the new programme approach. As a result, the presentation of entity works plans, ministerial policy statements, and performance reports has been revised and aligned to the programme approach by including programme details such as the PIAP interventions and sub-programmes, among others. This demonstrates government's commitment and steps to fully align the budgeting process to the programmatic approach.

Despite the above achievements, there are areas that require government attention if complete alignment of the programme-based planning and budgeting is to be achieved.

3.1.2 Areas that need attention

At Government wide level

a) Adequacy of the legal framework

The current legal framework does not fully support the Programmatic approach. I observed that the Public Finance Management Act (PFMA-2015), Public Finance Management Regulations (PFMR-2016) and the Treasury Instructions (TI-2017) are yet to be amended and aligned to the programmatic approach to planning and budgeting. The PFMA, in its current form, still referred to sectoral committees, which was inconsistent with the programme approach. Similarly, the PFMR also made referred to sectors and sector budget framework papers, which was inconsistent with the programme approach.

The PS/ST explained that PFMA 2015 was being amended to align it with the programmatic approach to planning and budgeting.

I advised government to ensure that the amendments within the existing legal framework are expedited to facilitate full alignment with the programme approach.

b) Allocation of resources within programmes

I observed that resource allocation is currently not based on programme priorities. Under the programme approach, programme working groups/secretariats are expected to allocate resources based on programme priorities within the different contributing entities. However, the current practice is that MDAs refer to their prior-year budgets as "the minimum" allocation they get from the programme budget.

There is currently no clear guidance on the extent to which the Programme Working Groups/Secretariat can allocate funds to entities within the programme. Allocation of resources in the budget is the mandate of MoFPED and Parliament and the programme secretariats lack the required authority (legally) to allocate resources. This contradicts the principle and the spirit of the programmatic approach to budgeting.

I also analyzed the funding for each of the missions from the various programmes and noted that UGX.23,163,442,578 was appropriated to programmes for which missions have no direct contribution. I further observed that neither the missions nor Ministry of Foreign affairs (MOFA) were listed as one of the actors /entities to contribute to these programmes in the NDP-III. This exposes these funds to diversion and defeats the programmatic approach to resource allocation.

The PS/ST indicated that going forward, the programme secretariats would be strengthened to fully implement the Programmatic approach to planning and budgeting. The allocation of resources to the missions would also be reviewed to align it with the programmes.

I advised the PS/ST to provide adequate guidance to all Accounting Officers, programme heads and strengthen programme secretariats to ensure that allocation of resources is done within the programme structures and according to programme priorities.

c) Supplementary expenditure requests outside the programme structure

I noted that supplementary requests and budgets are not discussed by the programme working groups/secretariats before submission to the PS/ST. This implies that resources appropriated to various entities through supplementary funding do not go through the programme structures, which contradicts the principle of the programmatic approach, distorts programme planning, implementation and reporting of programme activities.

The PS/ST explained that the implementation of the Programme approach to planning and budgeting is still work in progress, which will take time. However, going forward, MOFPED will ensure that supplementary expenditures are based on the recommendations from the programme secretariats.

I advised the PS/ST to provide adequate guidance to all Accounting Officers, programme heads and programme secretariats to ensure that all supplementary requests are discussed by the programme structures before submission to the PS/ST.

d) Limited involvement of MDAs and LGs in the development of PIAPs

I noted that MDAs and Local governments did not fully participate in the development of the PIAPs which affected ownership of these PIAPs by the entities. The entities both MDAs and LGs have therefore struggled to prepare programme based Budget Frame work papers (BFPs) which in turn affects the implementation of the programme approach.

Interviews with officials from the National Planning Authority revealed that entities especially the Local governments were engaged following the mid-term review to come up with more comprehensive and inclusive PIAPs. However, this may not address the current challenges since the process is yet to be completed with one year to the end of the NDP-III.

The PS/ST explained that MoFPED will work with all relevant stakeholders and spearhead the process of reviewing the PIAPs, ensuring they are more inclusive and owned by the contributing entities.

I advised NPA and MoFPED to fast-track the engagements and reviews of the PIAPs with the contributing entities and ensure that programme PIAPs are fully owned and adopted by the entities.

e) Absence of clear and harmonized outcome indicators

I noted that programmes lacked clear and consistent outcome indicators for the outcome targets in the Programme Implementation Action Plans (PIAPs). This hinders the accurate measurement and consistent reporting of programme outcomes. In addition, government will not be able to undertake accurate impact evaluations of the programme interventions at the end of the NDP-III.

The National Planning Authority indicated that the exercise of reviewing and harmonizing the outcome indicators was ongoing with the programme working groups, and clear outcome indicators were expected for all the programmes.

I advised government to fast-track the development and harmonization of the outcome indicators to facilitate accurate performance and impact assessment and reporting.

f) Inadequate monitoring of programme implementation by OPM

The successful implementation of the Programme approach was supposed to be coordinated and overseen by the Office of the Prime Minister (OPM) as the overall supervisor of government business.

I noted that OPM has not effectively executed this role for the past four (4) years of implementation of the Programmatic approach mainly due to limited resources and lack of staff to undertake the monitoring. For example, OPM was expected to recruit 20 programme coordinators to oversee the performance of each of the programmes however these coordinators were yet to be recruited. This has been worsened by the several changes in Management at the Ministry. As a result, OPM has struggled monitor performance of the programmes and to produce programme Annual Performance reports which would be key in successful implementation of the program Approach.

Management of OPM concurred with my findings and indicated that these challenges have been discussed at various forums and levels within Government however, government was yet to address the challenges.

I advised government (OPM, NPA and MoFPED) to prioritize the monitoring and supervision function within OPM by specifically providing adequate monitoring resources and recruitment of programme coordinators to enhance the implementation of the programme approach.

g) Alignment of the approved budget to the Programmatic approach

I reviewed the Certificate of Compliance issued by NPA and noted that the approved 2022/2023 budget was found to be moderately satisfactory (with a score of 64.7%) to the programmatic approach to planning and budgeting. Although this was an improvement from the prior year performance of 59.9% this shows that there is need for better alignment of the government budget to the programmatic approach.

The main reasons for this performance was; frequent budget repurposing of programme funds, failure to allocate resources to key actors in some programmes, limited data sharing and use of IT among programmes, and Ministries that have subventions that are not reported on under the programme arrangement.

I advised government to ensure that the going forward these above shortcomings are addressed in order to have budgets that are better aligned to the programme approach.

At programme/entity level

a) Performance of Programme warrants

I compared the revised budgets and warrants for each of the programmes and observed that 19 of the 20 programmes were underfunded by UGX.2.646Tn (5.8%) as shown in the table below;

Table 32: Performance of warrants by programmes

No	Program Name	Sum of Revised Budget (UGX) Tn	Sum of Total Warrants (UGX) Tn	Variance (UGX) Tn
1	Agro-Industrialization	1.012	0.906	0.106
2	Mineral Development	0.024	0.016	0.009
3	Sustainable Petroleum Development	0.881	0.835	0.047
4	Manufacturing	0.586	0.519	0.067
5	Tourism Development	0.205	0.113	0.092
6	Natural Resources, Environment, Climate Change, Land And Water	0.423	0.369	0.055
7	Private Sector Development	1.598	1.571	0.027
8	Sustainable Energy Development	0.651	0.482	0.169
9	Integrated Transport Infrastructure And Services	3.373	2.899	0.475
10	Sustainable Urbanisation And Housing	0.108	0.091	0.018
11	Digital Transformation	0.249	0.212	0.037
12	Human Capital Development	7.828	7.362	0.467
13	Innovation, Technology Development And Transfer	0.250	0.214	0.036
14	Public Sector Transformation	0.873	0.841	0.031
15	Community Mobilization And Mindset Change	0.116	0.101	0.015
16	Governance And Security	8.146	7.902	0.244
17	Regional Balanced Development	0.072	0.053	0.019
18	Development Plan Implementation	18.055	17.333	0.722
19	Administration Of Justice	0.403	0.391	0.012
20	Legislation, Oversight And Representation	0.915	0.915	-
Total*		**45.771**	**43.124**	**2.646**

**The revised budget of UGX.45.771Tn is different from the revised GoU budget of UGX.52.548Tn by UGX.6.777Tn which relates to project financing and local revenue which could not be broken down by programmes. Similarly, the warrants of UGX.43.124Tn are different from the total GoU warrants of UGX.49.226Tn by UGX.6.102Tn which relates to project financing and local revenue.*

The underperformance of warrants affected the implementation of several key programme activities at entity level during the year. Activities that were affected by this are highlighted in the individual entity reports of the contributing entities for each of the programmes.

The programme heads explained that the underperformance of warrants was due to insufficient revenue collections by MoFPED and pledged to continue engaging MoFPED for the release of the budgeted funds.

I advised the programme heads to ensure that the un-implemented programme activities are rolled over to the subsequent periods for implementation.

b) Utilization of programme warrants

I compared the total warrants and expenditure for each of the programmes and observed that all the 20 programmes underutilized warrants by UGX.3.676Tn (8.5%) as shown in the table below.

Table 33: Utilization of warrants by Programmes

No	Program Name	Sum of Total Warrants (UGX) Tn	Sum of Total payments (UGX) Tn	Variance (UGX) Tn
1	Agro-Industrialization	0.906	0.830	0.076
2	Mineral Development	0.016	0.015	0.000
3	Sustainable Petroleum Development	0.835	0.831	0.004
4	Manufacturing	0.519	0.508	0.011
5	Tourism Development	0.113	0.109	0.004
6	Natural Resources, Environment, Climate Change, Land And Water	0.369	0.345	0.024
7	Private Sector Development	1.571	1.563	0.008
8	Sustainable Energy Development	0.482	0.471	0.011
9	Integrated Transport Infrastructure And Services	2.899	2.837	0.062
10	Sustainable Urbanisation And Housing	0.091	0.090	0.001
11	Digital Transformation	0.212	0.208	0.005
12	Human Capital Development	7.362	6.910	0.451
13	Innovation, Technology Development And Transfer	0.214	0.214	0.000
14	Public Sector Transformation	0.841	0.746	0.095
15	Community Mobilization And Mindset Change	0.101	0.098	0.003
16	Governance And Security	7.902	7.811	0.092

No	Program Name	Sum of Total Warrants (UGX) Tn	Sum of Total payments (UGX) Tn	Variance (UGX) Tn
17	Regional Balanced Development	0.053	0.049	0.004
18	Development Plan Implementation	17.333	14.543	2.790
19	Administration Of Justice	0.391	0.365	0.026
20	Legislation, Oversight And Representation	0.915	0.906	0.009
Total*		**43.124**	**39.449**	**3.676**

******The warrants of UGX.43.124Tn are different from the total GoU warrants of UGX.49.226Tn by UGX.6.102Tn which relates to project financing and local revenue. Similarly, the utilisation of UGX.39.449Tn is different from the total GoU utilisation of UGX.43.404Tn by UGX.3.995Tn which relates to project financing and local revenue which could not be broken down by programmes.*

Underutilization of warrants was caused by; the late release of funds, delays in undertaking procurements, delayed completion of works, delayed compensation of project affected persons (PAPs), staffing gaps and delayed recruitment of staff. I further observed that the programme heads have no mandate to cause the Accounting Officers of the contributing entities to fully utilize the availed warrants.

Underutilization of warranted funds at entity level affected the implementation of several key programme activities during the year. Activities that were affected by this are highlighted in the individual entity reports of the contributing entities for each of the programmes.

I advised the PS/ST to empower the programme heads to ensure that Accounting Officers of the contributing entities undertake procurements in a timely manner, strengthen contract supervision and ensure that the staffing gaps are filled. In addition, the activities that were affected by the underutilization of warrants should be rolled over to the subsequent period for implementation.

c) <u>Alignment of work plan activities and programme outputs</u>

I analyzed the activities in the approved work plans of 141 participating entities to establish if the programme outputs would be achieved through the implementation of these activities. Based on my procedures, I noted that out of 2,020 sampled activities reviewed, 1,130 (55%) activities were aligned to the programme outputs. I further observed that the work plans are not properly aligned to the programme objectives and the programme value-chains.

Misalignment of work plans and programme outputs casts doubt impairs the quality of work plans since these cannot result into the achievement of the programme results. In addition, there is a likelihood that funds will be diverted from the core programme activities which will affect the achievement of the programme results.

Misalignment was attributed to inadequate conceptualization of the programmatic approach by the planners and the Accounting Officers, and the lack of support from NPA and the programme secretariats to the planners during the development of the work plans. In addition, there is weak alignment of the performance contracts of the Accounting Officers to the programme objectives and results. The planners in the MDAs and LGs have primary been reduced to budgeting officers and this has negatively affected the effectiveness of the planning function.

I advised the programme heads to liaise with MoFPED and NPA and ensure adequate change management trainings and capacity building is conducted for the planners and Accounting Officers of the contributing entities with a view of deepening the understanding of the approach and ensuring that future work plans are properly aligned to the programme PIAPs and value-chains.

I further advised the PS/ST to ensure that performance contracts of Accounting Officers of the contributing entities are realigned to focus on the programme objectives and results.

d) Failure to incorporate PIAP interventions within the entity work plans and budgets

Paragraph 3.1 of the guidelines for the development of Programme Implementation Action Plans (PIAPs) defines a PIAP as a result-oriented specific plan for achieving the objectives of a respective NDP III programme.

I analysed the approved work plans and budgets for 227 entities to confirm if the NDP III PIAP interventions were incorporated in the work plans of the contributing entities for FY 2022/2023. Out of a sample of 1,515 PIAP interventions reviewed, only 593 (39%) could be traced in the entity work plans of the contributing entities under the different programmes.

This indicates that there is a mismatch between the approved programme/PAIP interventions and what is included in the entity work plans, which may affect the full realization of the programme objectives.

The failure to incorporate key PIAP interventions in the work plans was caused by inadequate conceptualization of the programmatic approach by the planners and the Accounting Officers, and the lack of support from NPA and the programme secretariats to the planners during the development of the work plans. In addition, there is weak alignment of the performance contracts of the Accounting Officers to the programme objectives and results.

The program heads acknowledged the anomaly and indicated that going forward, the work plans of the contributing entities are well aligned with the programme PIAPs.

I advised the programme heads to liaise with MoFPED and NPA and ensure adequate change management trainings and capacity building is conducted for the planners and Accounting Officers of the contributing entities with a view of deepening the understanding of this approach and ensuring that future work plans are properly aligned to the programme PIAPs.

I further advised the PS/ST to ensure that performance contracts of Accounting Officers of the contributing entities are realigned to focus on the programme objectives and results.

e) <u>Functionality of the Program Working Group Secretariats</u>

Guideline 18 of the Program Working Groups guidelines requires that each lead Ministry establish a secretariat within their Ministry supported by the Planning Unit of the Ministry. The Secretariats are expected to provide administrative support to the respective program working Groups (PWGs).

I undertook procedures to confirm if all programmes had constituted functional working groups/secretariats and observed that 16 out of the 20 Programmes had constituted working groups. Out of the 16 Programmes that had constituted working groups, only ten (10) working groups/secretariats were functional. The balance of the six (6) did not hold regular meetings to discuss programme challenges as expected.

Failure to constitute programme working groups/secretariats exposes the programme to implementation challenges, such as uncoordinated implementation of programme activities, which will negatively affect the performance of the programme and failure to achieve programme objectives.

Failure to establish functional working groups was attributed to limited funding of programme secretariats, weak leadership at secretariats and lack of adequate sensitization on the programmatic approach.

I advised the programme heads to liaise with MoFPED and NPA to ensure that all programmes constitute fully functional programme secretariats as per the programme guidelines. I further advised the programme heads to engage NPA and build adequate capacity for members of the programme secretariat with a view of empowering them to undertake their responsibilities effectively in accordance with the programme guidelines.

<u>Conclusion</u>

Government has made notable achievements and progress towards the full adoption of the programmatic approach to planning and budgeting to date. The transition has however been slow due to a number of challenges as highlighted above. Government therefore needs to fast-track the amendments to the PFMA, PFMR and Treasury Instructions, undertake extensive sensitisation of all stakeholders to appreciate the programmatic approach, fully empower the programme secretariats and OPM to undertake their responsibilities if the full adoption of the programmatic approach is to be realized.

3.2. INDIVIDUAL PROGRAMME KEY AUDIT FINDINGS

3.2.1 HUMAN CAPITAL DEVELOPMENT PROGRAM

a) Expired Vaccines and drugs at the National Medical Stores

Out of 12,595,920 doses of COVID-19 vaccines in store, 5,619,120 doses had expired. The expired COVID-19 value of the vaccines as at reporting date was worth UGX. 28.159bn. More expired COVID vaccines still lie in various health facilities across the country and the total combined loss to be incurred next year is estimated at UGX 300bn. These are vaccines procured out of the World Bank loan advanced for CoviD-19 support.

Furthermore, NMS has non-viable /expired stock of drugs worth UGX.33bn which was a 153% increase from UGX 13.4Bn of prior year. These majorly include Anti-retro Viral Medication (ARVs) which expire due to mainly changes in the recommended treatment guidelines by the World Health Organization.

Consultations with the PS MOH revealed that the procurement of the COVID was done based on speculation since the pandemic was still around. Besides Government had committed the manufactures with conditional grants from the World bank to produce and deliver vaccines which could not be halted. However, funds have been secured from GAVI to manage the recovery of all expired COVID Vaccines and their destruction.

I await action on the recovery of all expired COVID-19 vaccines from all the health facilities across the country and eventual destruction of all expired vaccines. Meanwhile government is advised to ensure that in such emergencies prudent planning is prioritised.

Additionally, regarding the expiry of drugs the Accounting Officer NMS was advised to appropriately align the budget for the EMHS with the demand so as to avoid over stocking of these drugs and ensure adequate and timely distribution and delivery of drugs and health supplies to the respective health facilities.

b) Delays in delivery and under-deliveries of Drugs and Medical Supplies to the various health facilities by NMS

Health facilities prepare budgets every year for drugs, medicines and medical supplies, which provide expected expenditure and delivery by NMS for the year. I noted that NMS budgeted to procure Drugs and Medical Supplies worth UGX. 185.915Bn for 3,254 health facilities across the country.

Out of the 3,254 health facilities, a total of 3,183 health facilities had under deliveries of drugs and medicine supplies worth UGX. 26.403Bn. In addition, the deliveries were not following the cycles which meant delayed deliveries that caused disruptions in patient treatment.

Under-delivery of expected supplies caused drug stock-outs and treatment disruptions in the affected Health facilities across the country.

The Accounting Officer NMS was advised to appropriately align the budget for the EMHS with the demand to ensure adequate and timely distribution and delivery of drugs and medical supplies to the respective health facilities.

c) Delayed recruitment of Health workers

The First Budget Call Circulars on preparation of BFPs require the recruitment to be concluded by 31st December. The client charter of Health service commission gives timelines on the recruitment process; acknowledging receipt of the cleared and declared vacancies in 5 days, advertising in 2 months from the date of receipt of submission, display shortlist and disseminate interview programmes within 14 days, inform shortlisted candidates 5 days prior to interviews and release error free decisions (minutes) on appointments and promotions within 3 months after the interviews and disseminate HSC decisions (Minutes) to responsible officers within 7 days from date of approval.

The Health Service Commission planned to recruit 1,200 health workers for the institutions under its jurisdiction of the National Referral Hospitals, Regional Referral Hospitals and Central Health institutions. However, only 669 vacancies were filled representing a recruitment performance rate of 56%.

I noted that recruitment processes took an average 7 months for sampled recruitments. This was occasioned by the budgeting cycle not aligned to the recruitment cycle. Because of the non-alignment, the annual budget provides wage for new staff for 12 months (July to June) while the current recruitment framework can only avail new recruits by 31st December at the earliest and that is 6 months after the end of the financial year.

As a result, there was unutilised wage expenditure for a sample of entities under the health sector indicated that UGX. 10.692Bn remained unutilised by 30th June 2023.

In addition, UGX 2.8Bn and UGX 3.3Bn all meant for recruitment was not warranted for Mulago National Referral Hospital and Kawempe Referral Hospital respectively during the period.

The delays in the recruitment process impact on the quality of health service delivery in the affected health facilities. Additionally, delayed recruitments have led to increase of temporary staff in health facilities which staff are locally appointed without following the stipulated recruitment procedures.

The Accounting Officers should liaise with relevant stakeholders to ensure that all approved funds are released to the entity, and further fast track the recruitment process to ensure timely utilisation of warranted funds.

d) Management of Essential Medicines

Government mandated National Medical Stores to procure all Essential Medicines and Health Supplies (EHMS) and distribute them to all health facilities in the country. This means that the funds for the procurement of EHMS are budgeted for under NMS.
I noted the following;

e) Under delivery of ordered medicines and health supplies

Paragraph 2 of schedule 5 of the PFMA 2015 requires Accounting Officers to prepare an Appropriation Account showing the services for which the moneys 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.

I noted under deliveries of ordered medicines and health supplies in all hospitals samples worth UGX.1.919Bn. I have raised this issue in the report of NMS covering the entire country.

The Under deliveries impact the effectiveness of these hospitals in delivering on their mandate. This was attributed to failure by NMS to adhere to the approved budgets for these hospitals.

I advised the Accounting Officers of these hospitals to liaise with NMS to ensure timely delivery of all ordered medicines and health supplies.

f) Under staffing in the Pharmacy and Hospital Stores

I noted that Five (5) Out of the eight (8) samples Hospitals and Institutions had significant understaffing in the Pharmacy and Hospital Stores. The findings are summarized below;

- 3 Hospitals did not have a substantive head of pharmacy
- All the Hospitals sampled had 45% staffing filled fully in line with the approved structures
- 2 Hospitals had only 1 staff who was managing the medicines and drugs.

Under staffing in the pharmacy department was responsible for the errors identified in issuance and recording of drugs and supplies.

I advised the Accounting Officers to follow-up with Health Service Commission to ensure the staffing is improved in the pharmacy and stores of the hospital.

g) Inadequate and Inappropriate storage facilities

I inspected storage facilities in all Hospitals and noted inadequate space for storage of medicines and medical supplies. In 3 out of the 8 Hospitals sampled, I noted that expires are kept in the same storage space/room with the non-expired.

Inadequate storage facilities affect the shelf-life of drugs therefore increased expiries which affects service delivery. Lack of storage facilities was arising from inadequate budgets to construct more structure and in some hospitals with on-going constructions I noted they were incomplete.

I advised the Accounting Officers to liaise with the relevant offices like MOFPED for funding support to enable establishment of better storage space of drugs and medical supplies.

h) Drug Stock Outs

The Hospitals sampled reported drug stock-outs for long periods that significantly affected service delivery. Some of the Significant drugs out of stock include; Quetiapine, FLUANXOL 20MG, SEVOFLURANE 100% V/V, TRIFLUOPERAZINE TABLETS 5mg, ORAL MORPHINE 250ML 5MG/5ML among others.

The stock-outs erode patient confidence in the health sector which leads patients to explore inappropriate and expensive alternatives of health care.

I advised the Accounting Officers to continuously engage National Medical Stores to deliver drugs as per the requests/orders.

i) Management and Utilization of Medical Equipment

Medical equipment represents a substantial asset in the health care delivery system and needs to be managed appropriately to enable the diagnosis, treatment and rehabilitation of patients. It comprises all medical devices connected to patients as part of their treatment and care in a health facility; and devices and instruments used for diagnostic or therapeutic purposes. Equipment ranges from small items such as thermometers, to complex items like computer tomography (CT) scanners, magnetic resonance image (MRI) equipment, and radiosurgery equipment among other equipment. The Ministry of Health issued the National Medical Equipment Policy in 2009 that provide for acquisition, maintenance and disposal procedures for medical equipment.

The following was identified in respect to the audit of the focus area;

(i) Functionality Status of Medical Equipment in Hospitals

I inspected various medical Equipment in all the sampled Hospitals and noted the following;

All hospitals had some vital medical equipment not functional. These included Digital X-rays, MRI Machines, CT Scan machine among others. This equipment needed repair

All hospitals had functional but idle equipment not in use especially the ICU Equipment procurement by Ministry of Health. This was attributed to lack of trained staff to manage some of these equipment, and lack of space to operate the equipment from

I noted that 5 referral Hospitals reported to have new medical equipment but cannot be put to use due to missing vital spare parts

The Non-functionality and lack of use of medical equipment affects diagnosis and treatment plans based on results obtained from these machines.
I advised the Accounting Officers to seek for additional funds to repair the non-functional medical equipment as well as seek for more staff trained in management of medical equipment from the Health Service Commission.

(ii) Maintenance of Medical Equipment

Section 5.3 of the National Medical Equipment Policy 2009 provides that maintenance is categorized into three groups: daily, periodic and corrective maintenance. Daily maintenance is a part of daily operation and is performed by health workers who use the equipment. This should be strengthened through user training. Periodic maintenance is periodical service (once a month, once a quarter, or after a number of hours of operation) to prevent defects before they occur. Corrective maintenance means repair after the equipment has failed.

I noted inadequacies in maintenance of medical equipment as indicated below;

All Hospitals did not have Medical Maintenance Equipment Plans to enable scheduling of maintenance activities since most of these medical equipment have pre-determined requirement for scheduled maintenance.

(iii) Lack of training in medical equipment maintenance

I noted inadequate budget allocations for maintenance of medical equipment. UGX.1.34Bn was spent against equipment maintenance requirements of UGX5.3Bn across the sampled Hospitals.

(iv) Faulty equipment restricts diagnosis and affects delivery of vital health services.

The Accounting Officers were advised to develop equipment maintenance plans as well as seek for additional funds for maintenance of medical equipment.

3.2.2 INTEGRATED TRANSPORT INFRASTRUCTURE AND SERVICES PROGRAM

a) Commitment charges incurred due to delayed absorption of loans from development partners

I reviewed the total cumulative disbursements for three (3) donor funded road projects implemented by UNRA which included; North Eastern Road-Corridor Asset Management Project (NERAMP), Kabale-Lake Bunyonyi/ Kisoro-Mgahinga Roads Upgrading Project and Kampala-Jinja Expressway (KJE) Project and noted a total of Undisbursed loan funds as at 30th June 2023 of USD 458.759Mn. This was majorly caused by delays in procurement processes and instances of lengthy approvals of project activities by the development partners. As a result of the un-disbursed loan funds, Government has accumulated commitment fees amounting to USD.10.63Mn on un-disbursed donor funds since effective dates of the projects.

I advised the Accounting Officer to engage development partners and other stakeholders to come up with measures to reduce delays in procurement process of contractors for civil works as well as the lengthy approvals of project activities.

b) Interest charges on delayed payment to contractors

I reviewed the financial statements of UNRA and MOWT and noted that outstanding payments/payables amount to UGX.804.26bn (UGX.588.77bn for UNRA and UGX.215.49bn for MOWT) as at 30th June 2023. Long outstanding payables is an indication of poor budgeting and causes a risk of litigation and payment of penalties (Interest) for delayed payments. For example, UNRA paid out UGX.11.93bn in-respect of interest charges for the Interim Payment Certificates (IPCs) which were not paid in the agreed timelines. This was attributed to inadequate budget provisions for settlement of domestic arrears.

I advised the Accounting Officers to liaise with the MOFPED to avail additional funding for settlement of domestic arrears.

c) Loss of Railway materials at URC

The Corporation has incurred significant losses for the last two years that increased by 9.2% from the previous year's loss of UGX.32.22Bn despite the increase in revenue by 13.83%. The Corporation also incurred a Loss due to theft of Materials/Equipment on Rehabilitation of Tororo-Gulu Railway line worth Euros. 3,083,846 and USD 3.76Bn. This is an indication of weaknesses in operating, profitability and its ability to sustain provision of service.

I advised the Accounting Officer to devise strategies aimed at improving the revenue generating potential of the corporation.

d) Delayed construction of SGR

SGR project Construction for Malaba-Kampala route (273km) first phase which was expected to cover only 15.8% of the total proposed project length of 1,724km has not yet commenced. I further noted that UGX. 134Bn has been spent on compensation of PAPs. This has been caused by failure to secure financing from EXIM Bank of China as had earlier been planned.

I advised the Accounting Officer to liaise with the relevant stakeholders to secure the necessary funding to expedite the Project Implementation Process.

3.2.3 MINERAL DEVELOPMENT PROGRAMME

a) Outstanding Annual Mineral Rent Fees

Review of the annual mineral rent fees records revealed that an amount of UGX. 1.132Bn remained outstanding as at 30th June 2023.

The failure to collect the expected revenue undermines government revenue mobilization strategies in the mining sector.

The Accounting Officer indicated that the Ministry had issued notices to defaulting companies requesting them to pay outstanding annual mineral rents timely.

I advised the Accounting Officer to collect outstanding mineral rent fees as required by the law.

b) Failure to Disburse Royalties to Land Owners and Eligible Local Governments

Review of the royalties sharing fund account at the Ministry of Energy and Mineral Development revealed that that the account had accumulated a total of UGX. 2.338Bn, out of which UGX. 0.977Bn (42%) was paid to the Local Authorities and land owners during the Financial year, leaving a balance of UGX. 1.363Bn.

The Accounting Officer attributed the failure to disburse royalties to disputes regarding district boundaries, inactive bank accounts, and unknown land owners.

I advised the Accounting Officer to trace landowners through local administrative structures and also engage the Ministry of Local Government and other relevant stakeholders to resolve conflicts about boundaries.

c) Establishment of the National Mining Company

Whereas Section 21 of the Mining and Minerals Act, 2022 requires the establishment of a Uganda National Mining Company, which shall be wholly owned by the State to manage Uganda's commercial holding and participating interests of the State in mineral agreements, the company had not yet been established at 30th June 2023. Moreover, the Mining Regulations of 2022 did not give guidance on the timelines and operationalisation of the Mining Company.

A Cabinet Memorandum has been drafted to seek Cabinet approval of the nominated members of an inter-ministerial committee, and to direct the MOFPED to provide initial funds to operationalize the company, which is expected to be presented to Cabinet secretariat in January 2024. MEMD commits to expedite the processes of operationalizing the Uganda National Mining Company

Delays in incorporation of the Company may impact the management of Uganda's strategic commercial interests in the minerals sub-sector.

I advised the Accounting Officer to establish the company and ensure that it is funded to implement its mandate as required by the Act.

d) Failure to collect Gold export levies

The Minister of Energy and Mineral Development issued a Statutory Instrument, requiring collection of levies on processed gold exports at rate of USD 200/Kg. During the period 1st July 2022 to 3rd March 2023, a total of 7839.1 Kilograms of processed gold were exported, from which Government expected to collect export levy amounting to UGX. 5,811,922,064. However only UGX. 428,703,625 (7%) was collected by URA leaving a balance of UGX. 5,383,218,439 outstanding.

This was attributed to gold exporters who obtained court orders to halt the collection of export levy on their gold exports. This denies Government the funds necessary to deliver services to the citizens.

I advised the Accounting Officer to liaise with the Attorney General regarding the regulation of the gold industry.

e) <u>Failure to disburse royalties to Land owners and eligible Local Governments</u>

I noted that the Ministry's mineral royalties sharing fund account during the financial year had accumulated a total of UGX.2,338,797,406. Out of which UGX.976,997,307 (42%) was paid out, leaving unremitted royalties of UGX.1,361,800,099 at the end of the financial year.

This was attributed to unknown landowners and unresolved boundary disputes between districts despite interventions by MEMD and MoLHUD.

Under remittance of the mineral deposits due to beneficiaries undermines the purpose for which the funds were intended.

I advised the Accounting Officer to consider engaging political leaders to ensure that district land boundary disputes are resolved, and that unknown land owners are traced through publications.

3.2.4 AGRO-INDUSTRIALISATION PROGRAMME

a) <u>Food and Animal Feed Security Intervention</u>

(i) <u>Strategic Interventions to boost Food and Animal Feed Security in the Country</u>

There was a looming threat of food and animal feed insecurity resulting from erratic rains and harsh weather patterns that are currently affecting most parts of the country. The disruption of logistics due to COVID-19 and war in Ukraine, pest and disease outbreaks, the influx of refugees in some parts of the country were affecting the food and feed production.

Due to the above challenges, cabinet made a decision in August 2022 to implement the production of food and animal feed by engaging selected MDAs namely; MAAIF, NAGRIC, NARO, MODVA, UPS, NEC-AGRO and identified private commercial farmers. The participating partners were to be advanced UGX.363.57Bn to undertake the production of food and animal feed on 224,650 acres. I assessed the implementation of the intervention and below are my observations;

- Cabinet directed that large scale farmers are funded to a tune of UGX.176.03Bn to plant 114,661 acres (51% of the planned) in season A 2023. This investment was expected to yield 170[2] metric tons of maize, soya beans, sorghum and beans, however, no funding was provided and as such this affected the full realization of the objective of the intervention.

- MDAs were instructed to front-load the already appropriated budgeted funds amounting to UGX.187.5bn on the premise that they would be re-funded through supplementary funding. UGX.115.42Bn was fronted loaded by the MDAs however, the supplementary funds were never provided.

- There was inadequate preparedness by the entities to implement this intervention as evidenced by the minimal engagement with the implementing agencies in setting targets and failure to provide irrigation equipment to support the intervention during the dry season. This affected the performance of the intervention.

- The MDAs were given targets to produce corn silage, maize, soya beans, sorghum and beans on 109,989 acres at a total cost of UGX.187.5Bn. These targets were revised downwards to 76,708 by the MDAs representing a 30% decrease. Further, the MDAs failed to achieve their revised targets by 43% from 76,708 to 43,759 acres.

- Out of 43,759 acres that were opened, only 32,428 acres were planted resulting into a variance of 11,331 unplanted acres (26%) due to expensive costs of mechanised bush clearing which were not planned for.

- Out of the planted acreage of the MDAs had projected to produce 63,598[3] tons of yield. However, according to the end of season reports, the MDAs produced 61,859 tons representing 97% performance

The above short comings affected the achievement of the intervention objectives.
I advise the Government to ensure that before implementing such interventions, adequate planning and consultations should be undertaken to avoid similar challenges during implementation.

b) Management of Foot and Mouth Disease (FMD) Interventions

Every year MAAIF plans to procure and distribute various interventions such as vaccination equipment and FMD vaccines for trade sensitive cattle diseases as a preventive measure to less privileged livestock farmers. During the two financial years MAAIF had an approved budget of UGX.33.7Bn out of which UGX.28.3Bn was warranted.

I undertook a comprehensive review of the procurement and distribution of FMD veterinary medical supplies by MAAIF in the financial years 2021/2022 and 2022/2023 and observed that there were challenges in the management of the interventions. Below are my findings;

[2] 1,000kgs equals 1 metric ton.

[3] *These estimates are for only 2 of the 5 MDAs that had clear projects for yields*

- MAAIF did not put into consideration the individual demands/needs of districts in planning and budgeting for this intervention. During implementation, DLGs were requested to requisition for the vaccines and vaccination equipment which resulted into districts receiving significantly less than what was required to respond to outbreaks.

- The procurement processes for the vaccines and equipment took an average of five (5) to eight (8) months from initiation to actual contract signing compared to the planned three (3) months resulting in an average delay of four (4) months. Similarly, the actual deliveries delayed for a period between 41 to 240 days.

- MAAIF distributed 1,930,080 doses of FMD vaccines worth UGX.13.49Bn to 82 districts without any district requests. In instances where DLGs submitted individual requests/needs (for FMD vaccines), I noted cases of none, over and under delivery of the vaccines and vaccination equipment.

- Whereas 2,565,900 vaccine doses were received by MAAIF during the financial year 2022/23; 1,804,000 (70.3%) doses had been distributed by 30/06/2023. At the time of inspection, September 2023, the unutilized 562,400 FMD doses were safely stored in the Ministry cold room.

- Whereas 400 vaccine cool boxes were delivered on 2nd September 2022, 141 (35%) had been distributed by 30/06/2023. As of 14/09/2023, 269 (67%) cool boxes had been distributed over a period of one year. The 131 boxes were in stores pending distribution.

- Ten (10) districts had insufficient/poor storage facilities for the vaccines. In some cases, these vaccines were stored in domestic grade fridges, while in other instances they were stored together with human medicine.

- Vaccines worth UGX.0.620Bn were still being held in various district stores unutilized. Some of these vaccines were delivered as far back as September 2021 while others were delivered in 2022.

Delays in procurement and distribution delays the timely response to outbreaks thus leading to loss of livestock. The none and under distribution of vaccines and vaccine equipment affects the effective management of disease outbreaks while over distribution creates a risk of vaccine wastage.

I advised the Accounting Officer to ensure that detailed needs assessment is undertaken before vaccines are procured and distributed to avoid waste. In addition, the Accounting Officer should eliminate all inefficiencies within the procurement process to eliminate delays in procurement.

c) <u>Management of Mechanisation Equipment</u>

Over the past five (5) years, MAAIF has procured, tested and operationalized various units of heavy mechanization machinery and assorted farm tractors and accessories to support small scale farmers with mechanized farm activities, irrigation and value addition.

During the financial years 2021/2022 and 2022/2023, MAAIF contracted several suppliers for supply of 1,077 mechanization equipment worth UGX.100.53Bn. I undertook a comprehensive review of this intervention and observed the following;

- The procurement processes of 200 tractors worth UGX.27.9Bn took up to 311 days (10 months) from initiation to actual contract signing instead of 81 days resulting into a delay of more than 7 months (230 days) due to the delayed clearance of the contract by the Attorney General.

- The procurements for 14 heavy earth moving equipment worth UGX.17.82Bn experienced an average delay of 132 days (4 months) with some deliveries delaying up to 202 days (7 months).

- Heavy equipment worth UGX.10.58Bn were procured and registered with private number plates instead of the official UG number plate series. The Ministry distributed 35 tractors worth UGX.2.3Bn to farmers without number plates.

- Six (6) tractors worth UGX.0.77Bn were grounded due to maintenance challenges.

- Four (4) tractors worth UGX.0.42Bn were found to be under-utilized. These tractors had an average utilization of 40.1 hours which was significantly way below the average tractor hours of 840.7.

- Several challenges were faced by beneficiary farmers due to lack of technical guidance by MAAIF. These included; delivery of tractors without tool boxes, tractors with significant mechanical faults, mechanical breakdowns, supplier's failure to contact some of the farmers for servicing and general repairs of the tractors despite the equipment being under warranty. The noted challenges hamper utilization of the tractors.

Delays in procurement and distribution of tractors and heavy equipment undermines the promotion of agricultural mechanization and denies opportunity to befitting communities or farmers. Failure to timely maintain and repair the tractors affects the effectiveness of the equipment.

I advised the Accounting Officer to enhance the use of the electronic tracking system to manage and supervise the utilisation of the tractors to achieve value from the funds invested.

d) <u>Procurement and distribution of farm machinery, value addition and agro-processing facilities by NAADS</u>

During Financial years 2021/2022 and 2022/2023, a sum of UGX.42.8Bn was received against a budget of UGX.66.1Bn to undertake the procurement and distribution of farm machinery, value addition facilities and agro-processing facilities. I undertook a review and inspection to assess whether the procured value addition facilities were distributed to eligible beneficiaries, and if the items had been put to proper use. Below are my findings

e) Procurement and distribution of maize milling equipment by NAADS

- Seven (7) maize milling equipment worth UGX.0.56Bn were delivered to the beneficiaries without adequately assessing the technical and financial capacity of the beneficiaries which resulted in farmers failing to maintain the equipment. For instance, one (1) beneficiary in Kiryandongo district who received a semi-automated mini-maize milling equipment worth UGX.0.17Bn had only 12 members instead of the required minimum of 20 and was also facing high electricity costs.

- Four (4) maize milling equipment worth UGX.0.25Bn had not yet been delivered to the beneficiaries at the time of inspection in September 2023 despite the expected delivery of 1st June 2023.

- 19 ordinary maize milling machines that had been delivered to the beneficiaries did not comply with the specifications since they lacked weighing scales, dust collectors and sack stitchers.

- 15 maize mills supplied were not in use by the beneficiaries due to a number of reasons. For instance, four (4) maize mills worth UGX.0.266Bn lacked 3 phase power connectivity, while structures for five (5) mills worth UGX.0.33Bn were incomplete. In addition, all the 15 beneficiaries had not been trained on how to operate the mills.

Delivery of equipment to farmers without capacity to maintain the equipment affects the effective utilization of the equipment while delayed delivery of maize mills is tantamount to delayed service delivery. Delivery of mills that do not meet specifications may not effectively serve the purpose for which they were procured and delivered.

I advised the Accounting Officer to ensure that proper needs and capacity assessments of beneficiaries is done before distribution is done. In addition, distribution should be undertaken in a timely manner and in compliance with procurement specifications.

f) Procurement and Distribution of Solar Water Pumping Systems by NAADS

- One (1) solar pumping system worth UGX.0.311 meant for Mbarara Grape farmers, Nyakayojo, in Mbarara city had not been delivered by the time of inspection in September 2023 and was behind schedule by four (4) months.

- I inspected eight (8) solar water pumping systems and noted that installation of one (1) had been completed, six (6) pumping systems worth UGX0.79Bn were still being installed while one (1) system worth UGX.0.22Bn had been abandoned for over 11 months at the time of inspection.

- Two (2) solar water pumping systems worth UGX0.22Bn that had been delivered to the beneficiaries were faulty at the time of inspection and the contractors were yet to have the defects fixed.

Delayed delivery and installation of water pumping systems is tantamount to delayed service delivery

I advised the Accounting Officer to strengthen contract supervision and ensure that contractors deliver within the contract timelines.

g) Provision of Milk Coolers and Matching Diesel Generator Sets by NAADs

- Three (3) beneficiaries were not utilizing the 3000 litre capacity milk coolers and 20KVA matching generators worth UGX.0.74Bn. For instance, the beneficiary in Hakibaale, Kabarole district could not run the milk cooler because milk collection was too low at only 130 litres per day.

- 25 milk coolers worth UGX.5Bn had not been delivered at the time of inspection. These milk coolers were expected to have been delivered by 8th June 2023 implying a delay of four (4) months by the time of inspection in September 2023.

- The supplier had not corrected defects for the 3000 litre capacity milk coolers with matching 20KVA diesel generator sets worth UGX.0.67Bn supplied to three (3) beneficiaries which affected the functionality of the coolers.

Delivery of equipment to farmers without capacity defeats the purpose of the investments by Government while delayed delivery and delays to correct defects not only affect functionality of the equipment but also results in delayed service delivery.

I advised the Accounting Officer to ensure that proper needs and capacity assessments are undertaken for beneficiaries and ensure that contractors deliver within the contract timelines.

h) Procurement and distribution of fertilizers by UCDA

A study conducted in June 2020 established that 53% of the coffee trees in Uganda are eight (8) years and above while about 35% of the coffee trees are aged 3-7 years. Average productivity of old trees was 1.3 kg/tree for trees of 8-11 years, and 1.0 kg/tree for tree of 12 years. The dominance of old coffee trees implies declining productivity. The study also found that only 9.8% of the farmers apply fertilisers in their coffee.

UCDA has embarked on a coffee rehabilitation programme aimed to stump the old coffee trees and apply fertilisers to enhance productivity in a period of four (4) years. Over time, coffee rehabilitation is expected to increase coffee yields and incomes of farmers. I undertook a review of the procurement and distribution of fertilizers in the financial years 2021/2022 and 2022/2023 worth UGX.9Bn and observed the following;

- UCDA did not have accurate and reliable data on performance of the coffee yields and incomes of farmers to facilitate accurate assessment of whether the distribution of fertilisers has increased productivity and as such it was difficult to assess the impact of the intervention.

- UCDA delivered fertilizers in the districts of Mbale, Budaka, Iganga, Namutumba, Butambala, Nakaseke, Nakasongola, Mityana, Jinja and Manafwa towards the end of the rainy seasons. This resulted in late application of the fertilizers by farmers which affected their effectiveness.

- I noted inconsistencies between the quantities of fertilisers distributed as per UCDA records and the actual quantities received for 23 (28%) of the 81 farmers. The inconsistencies cast doubt on whether all the distributed fertilizers were received by the intended beneficiaries.

- 34 (42%) of the 81 farmers received fertilizers and yet they had not expressed interest/demand for the fertilizers contrary to Paragraph 4 of the Guidelines for distribution of fertilizers. This practice denies farmers who genuinely expressed interest opportunity to get fertilizers.

- Out of 81 farmers interviewed, 70 (86%) received training and sensitization on the benefits of coffee rehabilitation, stumping and fertilizer application however, they did not follow the prescribed fertilizer application procedures due to the limited number of extension workers to oversee the application of the fertilisers.

- Inspection of farmers in the selected districts revealed that 11 out of 81 farmers were not trained on the use and application of fertilisers and such they were not prepared to utilise the fertilizers.

The above shortcomings negatively affected the effectiveness of the intervention. However, the Accounting officer explained that UCDA has procured a Geospatial Monitoring and Evaluation System (GMES)) and App to register coffee farmers and other coffee value chain actors and manage the distribution of inputs which will help to eliminate the above shortcomings.

I advised the Accounting Officer to expedite the roll out of the GMES system in order to address the above challenges.

3.2.5 ADMINISTRATION OF JUSTICE PROGRAMME

a) Management of forensic services at DGAL

The Directorate of Government Analytical Laboratories (DGAL) plays a critical role in supporting the justice system by providing forensic evidence in criminal, civil and other matters. The Directorate has a number of laboratories which are used to analyse samples to be used in investigations. I undertook an audit of the management of forensic services at DGAL and observed the following;

- I noted significant under funding for forensic services during the financial year. Only UGX.4.49Bn was released/warranted out of the approved budget of UGX.21.8Bn, representing a 21% performance. As a result of under release of funds by MoFPED, DGAL could not provide all the planned forensic services to support the administration of justice.

- Out of 1,981 forensic cases received by DGAL for forensic analysis and investigation during the year, only 1,163 (59%) cases were concluded, leaving 818 (41%) cases pending.

- I observed that the time from receipt of a request to completion of an investigation took an average of 121 days contrary to the expected turnaround time of 90 days.

- Out of a sample of 1,981 investigations completed during the year, only 1,162 reports had been dispatched to clients representing a performance of 59%, while 819 reports were yet to be issued at the time of my audit. It took DGAL an average of two months to dispatch reports following the completion of a forensic investigation.

- None of the laboratories had conducive storage of samples and exhibits. Notably, the stores' size could not accommodate all exhibits and equipment, poor aeration with no fume extraction systems in place, no camera security systems in forensic biology and Microbiology and Bioterrorism laboratory and inadequate power regulators for the cooling facilities.

- Out of the total approved established positions of 64 technical staff in the forensic department, only 37 (58%) were filled, leaving 27 (42%) vacant which leads to reduced efficiency in laboratory operations and increased workload for the existing staff.

- Out of 37 technical staff, only 14 representing (38%) were trained in basic and specialised training, leaving 23 (62%) without any basic training in forensics. All staff in the Forensic Biology, Questioned Documents and Chemical and Microbiology laboratories did not have training at all despite the training needs/ skilling gaps.

- DGAL did not carry out regular maintenance, servicing and calibration of several Laboratory equipment used to examine forensic cases and some of the equipment had not been serviced for more than two years.

- The operating licenses for the computer forensic tools used by Forensic Recovery of Evidence Device (FRED) were not up to date, while online Library subscription of Fourier transform infrared spectroscopy (FTIR) – AIM Microscope used in Food, drugs and general Chemistry Laboratory got expired in 2019.

- A review of the performance of the Laboratory Information Management System revealed that out of 2,982 forensic and general cases received during the year, only 219 cases, representing 7% were registered. Out of this, only 10 were acknowledged as received on the system by the different forensic laboratories, while none of the 10 cases was reported on using the system.

The failure to conclude investigations in time erodes public confidence in the laboratory and the criminal justice system while delays to conclude and communicate results of investigations slows down the criminal justice system. Inadequate storage facilities, failure to train staff, failure to maintain equipment all affect the credibility of the investigation results.

I advised the Accounting Officer to review the Laboratory's processes and eliminate delays in investigations and communication of results of investigations. I further advised the Accounting Officer to engage MoFPED and Parliament for adequate resources to undertake trainings, improve storage facilities and regularly maintain the lab equipment.

b) Management of Community Service Orders

The National Community Service Act 2000 mandates the Ministry of Internal Affairs (MIA) to promote community service orders as a non-custodial sentence to facilitate rehabilitation, reformation and re-integration of offenders within their communities. I assessed the management of community service orders and noted the following;

- MIA has a number of challenges in the supervision of community service orders. For instance, it only has presence in 79 districts, out of 146 districts, leaving 67 out of the 146 districts in the country without any district community service officers. The directorate has only five (5) operational vehicles covering three vehicles at the Ministry headquarters and two (2) at the regional offices; leaving six (6) regional offices without vehicles.

- Out of the 29,183 offenders who were identified as eligible for community service orders, only 13,993 (48%) social inquiry reports were prepared. Without social inquiry reports, the judicial officers may not have adequate information to enable them consider issuance of community service orders.

- Out of the 14,595 community orders issued in the financial year 2022/2023, 445 individuals (3%) who were sentenced offenders absconded from fulfilling their community service orders.

The lack of sufficient resources affects supervision of the district community service officers which affects their effectiveness. Further, lack of social impact reports hinder the implementation of the non-custodial sentencing option as a means of decongesting the prisons.

I advised the Accounting Officer to continue engaging MoFPED to increase physical and financial resources. Further, where community service orders are issued by Court, the Ministry should strengthen the mitigation measures in place to eliminate abscondment.

c) Effectiveness of the Tax Appeals Tribunal

(i) Pending Tax Appeals Filed in the Financial Year 2022/23

In the FY 22/23, TAT had accumulated 368 cases, of which 19 cases were resolved by the Tribunal, 91 cases were settled by consent of the Parties, 6 cases returned to URA by the Tribunal, 40 cases were withdrawn and 212 cases remained outstanding. As indicated in the table below;

Table 34: Status of Tax appeals for the year ended 30th June 2023

SN	Tax Case Category	Number of Cases	Amount (UGX) Bn
1	Resolved	19	5.615
2	Settled by consent	91	45.895
3	Returned to URA	06	3.536
4	Withdrawals	40	17.129
5	Pending	212	331.902
	Total	**368**	**404.079**

From the above table, the Tribunal was able to clear 42.4% worth UGX.72.176Bn of cases leaving 57.6% worth UGX.331.9Bn as pending.

The high number of pending cases was attributed to the limited number (12) of Tribunal Members, an indication of inadequate capacity to clear all tax disputes in a timely manner as well as ineffective tax assessment processes at URA.

Long outstanding tax disputes lock Government revenue which would have been used to deliver services and is a disincentive for effective tax mobilization.

The government should review the Tax Tribunal Structures and enhance TAT's capacity to dispose of tax disputes effectively. URA should engage all taxpayers and initiate measures to reduce appeals.

(ii) Appointment of Unqualified Members to the Tribunal

Section 5 of the Tax Appeals Tribunal Act Cap 345, states that a person may only be appointed as a member of a tribunal if the person among other considerations, is qualified in taxation, finance, accounting or law.

Contrary to the above requirement, I noted that of the additional four members appointed to the Tribunal by the Minister, two do not possess the minimum qualifications required to be appointed to the Tribunal. This may result in the decisions of the Tribunal being contested on grounds of competence.

The government is advised to ensure that the Tribunal is composed of persons who meet the minimum statutory requirement for appointment.

3.2.6 GOVERNANCE AND SECURITY PROGRAMME

a) Holding of Women's Councils/Committees and Local Council Elections

The Electoral Commission developed a roadmap for the election of Women Councils and Administrative Units. The Commission planned to conduct these elections before expiry of the term of office of the then existing office bearers on 7th July 2023 at an estimated cost of UGX.98.6Bn out of which only UGX.15.68Bn was released. The UGX.15.68Bn was spent on by-elections (UGX.6.43Bn), compilation and display of Women Councils Registers (UGX.9.24Bn). A review of the implementation of the activity revealed the following;

- The funding provided by government of UGX.9.242Bn was insufficient to undertake the election of women council/ committees, administrative units and by-elections and as such these activities were only partially implemented. As a result, government spent UGX.9.23Bn on preparatory activities which will have to be redone at the time these elections take place.

- The Commission incurred costs on allowances for village, sub county and parish supervisors which are yet to settled therefore resulting in domestic arrears of UGX.10.49Bn.

The ultimate objective of conducting and concluding elections for women council/committees and administrative units was not achieved. The Accounting Officer explained that in a bid to reduce costs, the Commission reviewed and proposed a concurrent conduct of both elections (women council/committees and administrative units) at a reduced cost of UGX.58.07Bn which could have saved government UGX.40.48Bn. However, no funds were released which compelled the Commission to indefinitely suspend the elections.

I advised government to provide the required resources to enable the Commission conduct these elections in the financial year 2023/2024. In addition, government should ensure that going forward the electoral roadmap is strictly adhered to if the Commission is to meet its Constitutional mandate.

b) <u>Relocation of the Commission's offices</u>

Since 2016, the Electoral Commission has been in the process of vacating the former premises on Jinja road to pave way for the construction of the flyover. On this premise government engaged National Housing and Construction company Limited (NHCC) to avail adequate, secure and freehold land at Lweza Lubowa (for the permanent Home), and to provide temporally office space on Plots 1-3 and 5, 7th Street Industrial Area, Kampala for the immediate relocation of EC operations.

Following this decision, the Electoral Commission in January 2023 was relocated from Jinja road to its temporally home in industrial area waiting the construction of its permanent home in Lweza –Lubowa. NHCC undertook civil works, plumbing and electrical works, relocation of heavy-duty printers and furnishing worth UGX.17.96Bn to remodel the structures in Industrial area to the fit the Office requirements of the Commission. I reviewed the implementation of the relocation activities and noted the following;

- Despite notification by the supplier (MFI) that keeping the print heads of the heavy printers worth UGX.2.5Bn for more than 45 days before reinstallation would result into multifunction of the heavy-duty printer and other sensitive ICT systems, the Commission's printing machinery had not been reinstalled 250 days after relocation at the time of my audit.

- The value of works undertaken and claimed by National Housing worth UGX.17.9Bn has not been certified by Ministry of Works for the Commission to effect payment. In addition, the Commission had not signed an MoU with NHCC clearly defining the responsibilities and obligations of either party. Relatedly, the construction works at Lweza-Lubowa had not yet commenced at the time of finalising my report.

The failure to reinstall the printer heads for the heavy duty printers exposes the printers to malfunction which will require the Commission incur costs of replacement. Failure to have works certified derails the customization of the new premises while delayed construction of permanent home implies that the Commission is going to continue incurring avoidable costs as rent.

I advised the Accounting Officer to engage Ministry of Works to have the completed works certified and ensure that the Commission's sensitive equipment is fully reinstalled. In addition, the Accounting Officer should engage MoFPED to provide funding for the construction of the Commission's permanent home in Lweza.

c) <u>Management of Estates by the Office of the Administrator General</u>

Section 17 (a) & (b) of the Administrator General's Act, 1933 stipulates that the Administrator General shall create a comprehensive inventory of each estate under administration and maintain records of all receipts, payments and transactions associated with each estate. During the year, the Administrator General spent UGX.1.48Bn on management of estates of the deceased persons.

Currently, the Administrator General does not have a proper system to manage the information of the estates of deceased persons. My review of the system revealed the following;

- The total funds available for 402 estates of deceased individuals amounted to UGX.2.87Bn out of which only UGX.0.47Bn (3%) was paid to the estates' beneficiaries, leaving a balance of UGX.2.41Bn.

- Out of the UGX.2.41Bn, beneficiaries of UGX.2.39Bn were not known because the estates' account did not specify them. Efforts to locate the beneficiaries by management has proven futile.

- Out of 8,843 applications for Certificates of No Objection (CONO) received by the Administrator General in the last five years, only 4,509 certificates (51%) were processed as of 30th June 2023, implying that 4,334 applications (49%) had not been completed. The processed certificates experienced average delays ranging from 21 days to 4.5 years translating into an average delay of 1.5 years.

- Even after processing, there were delays in issuing of CONOs ranging from 1 to 4 years against the expected 19 days after the families' consent.

Without identifiable beneficiaries, the process of distributing the estates becomes complex and might require court intervention which comes with the associated legal costs. The delays in processing and issuance of CONOs affects timely to the estates by the beneficiaries.

I advise the Accounting Officer to review the current system with a view of enhancing its functionalities to capture the details of the beneficiaries and shorten processing and issuance time of CONOs.

d) Management of Contracts Clearance

The Directorate of Legal Advisory and Consultative Services (DLAS) spent UGX.1.73Bn on activities related to clearance of contracts submitted to the Solicitor General.

Currently, DLAS is facing challenges in clearance of contracts and dispatching of cleared contracts due to the inadequate staffing levels in the directorate. The department has an approved structure of 52 positions out of which 38 were filled while 14 were vacant.

I assessed the timeliness of the clearance of contracts submitted to the Solicitor General by the Directorate of Legal Advisory and Consultative Services (DLAS) and noted the following anomalies;

- Out of 1,830 requests to the Solicitor General, only 554 (30%) were cleared within the 14 days provided for in the charter. The balance of 1,276 (70%) experienced delays ranging of up to 6 months.

- Out of the 1,214 contracts cleared, only 612 (50%) were dispatched within the two (2) days provided for in the charter. The balance took up to 30 days to be dispatched after clearance.

Delay in the approval and issuance of cleared contracts implies delays in the conclusion procurement processes by the respective entities, resulting in delayed implementation of activities and delivery of services to the intended beneficiaries. This has resulted in contract variations. Besides, the delays also resulted in failure to fully absorb availed funds.

The Accounting Officer explained that the workload in the Directorate is not matched by the available workforce by a very large margin.

I advised the Accounting Officer to revise the directorate staff structure to meet the current demands and engage Ministry of Public Service for authority to fill the revised structure.

e) Decentralisation and Management of Court Awards and Compensations

During the last three (3) years, MOJCA budgeted for UGX.155Bn for the settlement of court awards and compensations to third parties out of which UGX.108Bn was released and spent on the activities.

Currently, the Ministry procured the Directorate of Civil Litigation Information Management System (DCLIMS) to register and provide a unique ID for each file, track the volume of files and schedule meetings and court hearings.

I evaluated the decentralisation processes of court awards and the management of court awards and compensations and noted the following anomalies.

- A review of the user logs showed limited access to and utilisation of the information on the system. I also found that cases handled by other government institutions are not recorded on the system.

- Old files of decided cases have not yet been migrated to the system and as such, the actual liability of government arising out of court cases may be inaccurate.

- 144 cases comprising paid and unsettled cases worth UGX.45.18Bn were not recorded in the databases.

- 18 court awards worth UGX.12.25Bn out of 84 unsettled court awards remained unpaid for a period ranging from 7 to 19 years. This has resulted in accumulated interest totalling UGX.25.165Bn exceeding the principal amounts awarded by UGX.12.92Bn.

- Only one (1) out of the 29 cases communicated to MDALs on court awards was timely communicated. For the 28 cases, there were delays ranging from 20 days to 5 years, implying an average delay of over one (1) year.

The limitations in the system functionalities affects the receipt, processing, recording of court awards and compensations. Delayed communication hinders budgeting and subsequent settlement of the court awards by MDAs.

The Accounting Officer explained that the current case management system has various key technical limitations to file indexing and tracing; electronic filing; usability; interoperability; and digital support to decision making by management. The system also has limited capacity to upload case related documents attached to a case file. Currently, a system upgrade is being undertaken. The system will be able to share information with other institutions like the Judiciary, NIRA among others.

I advised the Accounting Officer to expedite the upgrade of the system and ensure that it is fully rolled out and utilized.

f) <u>Management of Detention Facilities at the Uganda Police Force</u>

Uganda Police Force budgeted and spent UGX.4.02Bn on the management of detention facilities during the financial year 2022/2023. I audited the condition of detention facilities at UPF and observed the following issues:

- 362 suspects held in the 42 stations inspected had been detained for more than 48 hours, with stations such as Kasangati and Nakasongola police stations having suspects in custody for more than two weeks. 60 out of the 184 policing districts inspected all the male cells were congested beyond their built holding capacity. 61 out of the 72 police stations inspected did not have detention cells for men, women, boys and girls.

- There were no special facilities for suspects with special needs, for instance, pregnant women and breastfeeding mothers, among others in all the 72 inspected stations.

- 19 detention centres are still using the bucket system especially in Gulu East Division, Mbale CPS, Hoima and Rubanda. Where there were water borne toilets, most of them were not functional and were using buckets.

- 81 Health Centre IIs managed by Uganda Police did not have capacity to offer primary health care services and were not gazetted by National Medical Stores hence not receiving drug supplies.

- I inspected 24 health centre IIs and three (3) health centre IIIs and observed that that none of them met the minimum set standards in terms of number of staff, emergency delivery beds, placenta pits and staff housing. The absence of adequate facilities at the health centres negatively impacts service delivery to the officers and members of the public who use these facilities.

Overcrowding in cells increases the chances of spreading transmittable diseases like tuberculosis, hepatitis B from one suspect to another and further limits the clean air supply, raising health and security concerns amongst the suspects and the community. The failure to separate detainees according to gender or age may be a violation of human rights as it might result in physical harassment and abuse and can compromise the inmates' right to privacy and dignity.

The use of poor sanitary facilities compounded with high congestion is unhygienic, degrading and dehumanizing, resulting in a violation of the suspect's rights.

I advised the Accounting Officer to engage MoFPED and Parliament for funding to improve the conditions of the detention facilities in Uganda Police Force.

g) <u>Assessment of the Condition of Detention Facilities in Uganda Prisons</u>

In the financial year 2022/23 a total of UGX.109.98Bn was spent on direct and associated costs for the management of detention facilities. I carried out an assessment of the condition of detention facilities involving an evaluation of the physical, operational, and humanitarian aspects of the prisons and prisons' staff facilities and noted the following:

- There is congestion in the existing prisons with the most affected prisons being Isingiro (802%), Yumbe (768%), Hoima (618%) and Fort portal (573%) prisons beyond the designed holding capacity of the facility which is worsened by the number of prisoners on remand constituting 49% of the overall prisoner population of 76,041.

- 8,088 prisons' staff (56%) are still housed in dilapidated houses, semi-permanent structures, uniports and grass thatched houses.

- Uganda Prisons Service planned and budgeted to fence seven prisons at Moroto, Pallisa, Soroti, Amita, Kaabong, Kotido and Kibaale prisons an estimated cost of UGX.1Bn. Fencing in four (4) of the seven (7) prisons was yet to be completed.

- The Prisons' Standing Orders requires each prisoner to be provided with at least two uniforms, two blankets, and one felt mattress. I noted that UPS does not provide felt mattresses except for some female prisoners. Only one (1) uniform is provided to the prisoners.

- There was a shortage of trainers in the prisons to provide trainings. In addition, there was inadequate tools and materials to aid in the training and rehabilitation exercise of prisoners. UPS did not have a rehabilitation policy to guide the rehabilitation of prisoners.

- UPS currently accommodates 280 children staying with their mothers in prison however, I observed that out of the 19 regional prisons only five (5) had day care centres in the prisons of Luzira, Mbale, Arua, Gulu and Mbarara women prisons. This situation leaves incarcerated mothers with children in 14 (79%) prison's regions without access to these services.

- Three (3) prison stations of Isimba, Yumbe and Koboko lacked proper places for care and reception of sick prisoners, while three (3) prison stations of Lobule, Bidibidi and Mahia had the medicines kept in medicine cabinets and lacked infrastructures for the health facilities.

- Out of the required 1,519 health staff in 55 health facilities, only 217 (14%) staff were employed, leading to a staff shortfall of 1,302 (76%) health staff.

- I inspected 55 Prison facilities across the country to determine whether they were equipped with isolation centers for prisoners with transmittable diseases and noted that 46 prisons (84%) did not have isolation centers for isolation of sick prisoners with transmittable diseases from other prisoners.

The poor state of prison facilities affects welfare of prisoners and staff, and exposes the inmates and staff to several health risks. The lack of adequate rehabilitation and reintegration facilities for offenders may result in inmates leaving prison more hardened increasing the chances of becoming repeat offenders.

I advised the Accounting Officer to liaise with key stakeholders to address the challenges of funding, low and inadequate staffing, and inadequate infrastructure. I further advise management to consider popularising other options for delivering of justice such as plea bargains, parole, bail and speedy investigations to reduce the number of prisoners on remand.

h) <u>Management of Trafficking in Persons in Uganda</u>

The Prevention of Trafficking in Persons Act, 2009 mandates the Ministry of Internal Affairs through the coordination office for Anti-Human Trafficking to institute measures for the prevention of human trafficking in the country, including coordinating efforts to counter human trafficking, prevention trafficking in persons, protecting the rights of victims, and ensuring the prosecution of those responsible for trafficking offenses. I reviewed the Ministry's efforts in managing trafficking in persons and observed the following;

- Cases of trafficking of persons have increased over time, with cases rising by 185% from 421 cases in 2021 to 1,200 cases in 2022. The increment was attributed to the full opening of the economy after the COVID-19 lock down, limited public awareness on trafficking of persons, inadequate sensitisation and training of police officers and prosecutors in trafficking of persons, poverty, unemployment and low deployment of investigators at several entry and exit border points.

- Government does not have shelters for victims of trafficking nor are there sufficient temporary shelter at Uganda Police's CID headquarters. Victims are often housed in police cells, yet they are not suspects and the ministry relies on Non-Governmental Organizations and Civil Society Organizations to care for the victims. As a result, victims lack proper accommodation, medicines and meals.

- The Coordination Office for the prevention of trafficking in persons faces a number of challenges in responding to complaints of abuse from suspected trafficked persons living in foreign countries. This complicates efforts of collaboration between government agencies, NGO's and international organizations to enhance the effectiveness of any efforts of the organisation.

- The trafficking in person's data base which was offered and developed by the International Organization for Migration (IOM) is not yet fully functional utilised by the Ministry of Internal Affairs. Furthermore, the data bank is not integrated with any other databases to aid in countering trafficking in persons.

The above shortcomings have affected the effectiveness with which MIA has responded to cases of Human Trafficking.

I advised the Accounting Officer to institute efforts to reduce incidences of trafficking and to enhance efforts of to put in place shelters for victims of trafficking and establish a coordination desk.

3.2.7 REGIONAL BALANCE DEVELOPMENT PROGRAMME

a) Management of (IRAS) and E-LogRev Revenue Management System

During the financial year 2019/2020 government made a decision to automate Local Government Revenue Management Systems across Local Governments. One such intervention is the Integrated Revenue Administration System (IRAS), designed to assist local governments in budgeting, collecting, accounting, and reporting revenue. So far UGX.20.07Bn has been injected and the system has been rolled out in 124 sites.

In addition, in 2016/2017, the Ministry of Local Government initiated the Revenue Collection and Management Information System, code-named E-LogRev funded by GoU. The system has been installed in 49 government sites. So far, Government has spent UGX.6.28Bn on the rollout to the different sites.

I reviewed the implementation of the two revenue management systems and noted the following observations;

- As a result of the rollout and use of IRAS, revenue collection has increased from UGX.31.67Bn in FY 2019/2020 to UGX.56.35Bn in FY 2022/2023 an increment of 78%. On the other hand, revenue collections for sites using E-LogRev has increased from UGX.21.63Bn in FY 2019/2020 to UGX.34.17Bn in FY 2022/2023 an increment of 58%

- Out of the 124 sites that had been enrolled on IRAS, 11 had fully embraced the system, 107 were partially utilising the system, and six (6) were not using the system. On the other hand, out of the 49 sites that had been enrolled on E-LogRev, 41 had fully embraced the system and eight (8) were partially utilising the system.

- Staff in 52 out of 124 sites where IRAS was installed were trained in the use and application of the system.

- None of the nine (9) IRAS sites visited had an approved IT staff structure or IT personnel to handle IT-related matters. On the other hand, all the 49 sites for which E-LogRev had been installed had no approved IT staff structure.

- I noted that 39 out of the 124 activated local governments had not been availed with sufficient gadgets such as; phones, laptops, printers, and point-of-sale machines, among others, which are useful in operating the revenue system. Similarly, all the users of E-LogRev had also not been availed with sufficient gadgets.

- All sites rolled on the IRAS and E-LogRev system were not integrated with IFMS. As a result, information is shared between the two systems manually.

- The IRAS system server was located at the LGFC premises on the 10th Floor, Workers House, and there was no off-site server or backup in case of data loss contrary to section 4.6 of the National Information Security Policy 2014.

Delayed installation and failure to use the systems undermines the purpose of their rollout. Failure to undertake trainings and integration of the two systems negatively impacts the successful implementation of the system while the inadequate ICT structure and personnel hinders the optimal use of the revenue systems. Lack of an off-site server or backup exposes the IRAS system to a risk of data loss.

I advise government to address the current challenges by training of the users, providing the necessary gadgets and setting up IT structures in local governments in order to realise full enrolment and operationalisation of these systems in all local governments.

b) Implementation of Affirmative Action Programs

In the discharge of its mandate, the Office of the Prime Minister (OPM) coordinates and monitors the implementation of Affirmative Action Programmes meant to address historical challenges that were experienced in disadvantaged regions of the country.

Implementation of Affirmative Action Programmes is currently being done under the Ministries responsible for Karamoja, Northern Uganda, Teso, Bunyoro, Busoga and Luwero-Rwenzori by the Department of Pacification and Development.

(i) Procurement and distribution of goats

I undertook an audit of the procurement and distribution of goats for the Karamoja region for the financial years 2021/2022 and 2022/2023 totalling to UGX.25.38Bn and noted the following;

- OPM did not utilize funds amounting to UGX.1.16Bn meant for the procurement of goats for Karamoja region during the FYR 2022/2023.

- Each beneficiary was supposed to receive 16 goats to fasten the multiplication of numbers. However, some beneficiaries got less than the required numbers, with others receiving as low as one (1) goat.

- OPM did not properly coordinate and monitor the delivery and distribution of the goats, which resulted into suppliers delivering less than the intended numbers. Out of the 73,900 goats procured, only 73,708 goats worth UGX.25.54Bn were distributed, leaving 192 goats worth UGX.64.18Mn unaccounted for.

- Out of the sample of 107 beneficiaries, I was only able to visit and interview 76 beneficiaries who acknowledged receipt of 1,116 goats worth UGX.0.39Bn. The balance of 31 beneficiaries could not be located since these had relocated from their known addresses.

- Out of 76 beneficiaries visited, 36 had 182 goats worth UGX.72.99Mn, and the balance of 934 goats worth UGX.0.31Bn had either been rustled or had died.
- OPM did not undertake adequate needs assessment to inform the planning for this intervention. Interviews with 76 beneficiaries indicated that the breeds of the goats supplied could not survive the Karamoja region's weather conditions, which could explain the high death rates.

The lack of adequate planning and supervision of the intervention resulted in implementation challenges such as delays to procure, deliver and account for the goats.

The Accounting Officer explained that the guidelines for distribution of goats were issued to the beneficiary districts however, during the implementation of the exercise, the district committees deviated from the guidelines and decided to spread the animals so that many households would benefit.

(ii) Procurement and distribution of iron sheets

I undertook an audit of the procurement and distribution of 35,164 iron sheets for the financial years 2022/2023 totalling to UGX.2.43Bn and noted the following;

- Out of the 35,164 iron sheets procured by the Ministry, only 15,272 (43%) iron sheets had been distributed and the balance of 21,332 (57%) iron sheets worth UGX.1.47Bn were still in the OPM stores in Namanve.

- Out of the 55 beneficiaries sampled, I was only able to interview 24 beneficiaries who received 2,043 iron sheets worth UGX.0.14Bn. The 31 beneficiaries could not be traced at the time of inspection.

- 17 of the 24 beneficiaries had not utilised the iron sheets because they did not have houses on which to use the iron sheets. This points to weaknesses within the planning for this intervention.

Delayed distribution of iron sheets negates the purpose for which the iron sheets were procured.

The Accounting Officer explained that the delayed distribution of the iron sheets was occasioned by the investigations that were being carried out by various anti-corruption agencies like Police and Inspectorate of Government (IG). The issuance and distribution of iron sheets was halted due to the ongoing investigations by the anti-corruption agencies. The Accounting Officer further explained that the guidelines shall be put in place to ensure that iron sheets are distributed to only beneficiaries that have structures.

I advised government to always carryout proper needs assessment, which should inform the planning before implementation such interventions.

3.2.8 PUBLIC SECTOR TRANSFORMATION PROGRAMME

a) Establishment and Operationalisation of Service Uganda Centres in the Public Service

Government planned to implement Service Uganda Centres (SUCs) effective FY.2019/2020. These are one-stop centres designed as priority interventions for transforming the public service. From FY.2020/2021, government planned to spend approximately UGX.50Bn to construct 19 zonal Service Uganda Centres (SUCs) with their attendant operational and technical support infrastructure in the following areas: Kampala, Iganga, Mbale, Adjumani, Fort Portal, Jinja, Gulu, Mbarara, Soroti, Masaka, Hoima, Arua, Lira, Moroto, Kabale, Tororo, Kamwenge, Kotido and Rukungiri. I reviewed the implementation of this intervention and observed the following issues;

- Only one (1) regional/ zonal SUC was launched and operationalised in Hoima District Local Government on 28th June 2023 since 2020/2021, representing a performance of only 5.2% of the target due to limited funding from MoFPED.

- 13 SUCs could not be established due to contestations on the Posta Uganda land on which they were supposed to have been setup. In addition, the existing facilities on these pieces of land were old and required renovation and refurbishment before they could be utilized. Failure to secure titled land has delayed the implementation of this intervention.

- I inspected Hoima SUC where government had injected UGX.0.70Bn and observed that only eight (8) out of 14 MDAs that had promised to provide staff to set up the center had honoured their commitment, only four (4) MDAs had signed MoUs with the MOPS to collaborate on delivering their unique services at the SUC. The center had also not completed the construction of the generator house, therefore the heavy-duty generator procured at a cost of UGX.88.7million had not put to use.

Delayed operationalisation of the centres delays the achievement of the objectives of the intervention

I advised the Accounting Officer to engage MoFPED for sufficient resources for the construction of the remaining centres.

b) <u>Progress of implementation of the Rationalisation of Government Agencies and Public Expenditure (RAPEX)</u>

On 22nd February 2021, Government of Uganda embarked on the Rationalisation of Government Agencies and Public Expenditure (RAPEX) as a reform to improve efficiency and effectiveness in service delivery. This reform was aimed at re-organisation of Government institutions in terms of mandates, functionality, strategies and structural changes with the overall objective of eliminating structural and functional duplications and overlaps, wasteful expenditure and realisation of short- and long-term savings.

So far 60 out of 157 government agencies have been recommended for merging in a phased manner. Currently, UGX.5.67Bn has been invested in this program out of the approved budget of UGX.7.80Bn in the last two years 2021/2022 and 2022/2023 and some achievements have been registered including undertaking a comprehensive job evaluation, determining the relative worth of all jobs and developing a harmonised salary structure and a job manual. I reviewed the implementation of this reform and noted the following.

- MoPS has not undertaken Business Process Re-engineering for the affected service delivery processes, validated majority of affected staff, mapped affected staff onto the newly approved structures and re-deployed staff and implemented the change management strategy to facilitate a smooth transition among others.

- The legal review that gives effect to the implementation of RAPEX was still ongoing because consultations with the stakeholders had not been finalised. The absence of a supporting legal framework delays the pace of implementation of this reform.

- Validation of employees should have been completed by 31st December 2022. However, currently only 120 (0.7%) out of the expected 16,578 staff had been fully validated. The validated staff were from Rural Electrification Agency (REA).

- 2,200 employees who had been validated and are to be laid off as a result of the RAPEX reform were entitled to a compensation worth UGX.74.03Bn. Out of these only 33 have been paid their compensation of UGX.1.54Bn.

Delayed review of the business process, finalization of the legal framework, validation of staff and compensation affect the timely realization of the objectives of the program.
I advise the Attorney General to expedite the finalisation of the necessary legal framework to facilitate the implementation of the RAPEX intervention. I further advised the Accounting officer to ensure that review of government business processes, validation of staff and compensation are expedited.

3.2.9 COMMUNITY MOBILIZATION & SENSITIZATION PROGRAM

The Ministry of Gender, Labour & Social Development as the lead agency for program the following were noted;

a) Un-revolved Funds

The Youth Livelihood Program and Uganda Women Enterprise program were designed as mobilization programs to improve the Youth and Women livelihoods as required by the NDP III goal of increasing average Household Incomes and improving the quality of Life of Ugandans. One strategy is through extending revolving funds to the targeted groups.

Analysis of the performance of the two programmes as at 30th June 2023 revealed that a sum of UGX.71,014,761,431 recovered over the years from the Youth Livelihood Programme (UGX.31,520,314,372) and Uganda Women Empowerment Programme (UGX 39,494,447,059) had not been revolved to other Groups in the districts where recoveries were made.

The practice undermines the ultimate goals of promoting youth and women empowerment. The delay to revolve the funds was attributed to restriction by MoFPED regarding disbursement of funds from the recovery account.

I advised the Accounting Officer to engage the MoFPED and have the funds revolved so as to achieve the intended purpose.

b) Low recovery of Youth Livelihood Programme and Uganda Women Enterprise Programme Funds

Assessment of the recovery of the loaned out amounts for the Youth and Women groups revealed that out of the Youth Livelihood Programme recoverable amount of UGX.169,414,124,329, only UGX.39,772,804,412 (23%) had been recovered from the various Youth Groups by 30th June 2023, implying that UGX.129,641,319,917 (77%) remained outstanding.

Similarly, out of the Uganda Women Enterprise Programme recoverable amount of UGX. 67,619,290,862, only UGX. 32,325,743,967 (48%) had been recovered from the various Women Groups by 30th June 2023, implying that UGX. 35,293,546,895 (52%) remained outstanding.

The low recovery of the funds was attributed to inadequate sensitization of beneficiaries, low funding for monitoring and technical backstopping, and low enforcement.

Failure to repay in a timely manner reduces the amount available for onward lending.

The Accounting Officer responsible for Ministry of Gender, Labour and Social Development indicated that continuous efforts such as technical backstopping, monitoring, sensitization, and stakeholder engagement would be undertaken to improve recovery rates.

I advised the Accounting Officer to liaise with district local authorities and other stakeholders in sensitization, enforcement, monitoring and technical backstopping aimed at improving the recovery of funds.

3.2.10 CLIMATE CHANGE, NATURAL RESOURCES, ENVIRONMENT AND WATER MANAGEMENT PROGRAMME

a) Absorption of Project Funds

Analysis of funds absorption for a cross section of projects during the period 2022/2023 revealed that UGX 280.241Bn (47%) was actually utilized out of the total funds available of UGX 591.424Bn.

Table 35: Table showing funds absorption climate change, natural resource programme

SN	Project	Funder	Available funds (UGX Bn)4	Funds Utilised (UGX Bn)	Percentage absorption
1	Integrated Water Management and Development Project	World Bank-IDA	152.053	71.792	47%
2	Farm Income Enhancement and Forest Conservation Programme Project 3	Islamic Development Bank	1.871	0.569	30%
3	Irrigation for Climate Resilience Project	World Bank-IDA	76.4	36.7	48%
4	Investing in Forests and Protected Areas for Climate-smart Development project	IDA	26.205	7.566	28%

[4] USD Amounts Translated at $1=UGX 3670

SN	Project	Funder	Available funds (UGX Bn)4	Funds Utilised (UGX Bn)	Percentage absorption
5	Water Supply and Sanitation on Refugee Hosting Communities in Northern Uganda (KfW) Project	German Financial Cooperation (KfW)	33.96	23.96	70%
6	Makerere University Regional Centre for Crop Improvement (MaRCCI)	World Bank	4.451	2.169	49%
7	OPEC Fund for International Development Project – Phase II	World Bank-IDA	41.67	15.35	37%
8	Uganda Secondary Education Expansion Project (USEEP), for the year 30th June 2023 are prepared in all material respects, in accordance with the I	World Bank-IDA	41.044	1.353	3%
9	Energy for Rural Transformation Project- Phase III (ERT III-PCU)	IDA	5.386	3.853	72%
10	Grid Expansion and Reinforcement Project	World Bank	180.613	93.634	52%
11	Masaka-Mbarara Transmission Line Project	AfD and KfW	27.326	22.973	84%
12	Strengthening the Management of the Oil and Gas Sector in Uganda programme (SMOGP)	Royal Norway Government	0.445	0.322	72%
Total			591.424	280.241	47%

The under absorption of project funds was mainly attributed to procurement delays, hybrid approval processes, contract management, delayed compensation of Project Affected Persons (PAPs), delays in recruitment of project staff, among other things.

Poor budget absorption capacity has resulted into extension of completion timelines for projects, hence affecting service delivery provision to the intended beneficiaries.

I advised the Accounting Officers to streamline the procurement processes, ensure timely compensation of PAPs and enhance contract management for projects so as to ensure timely implementation of activities thereby improving budget absorption.

b) Management of Wetlands

Wetland land management is the process by which wetlands and resources therein are put to proper utilization. NEMA is the Government agency charged with monitoring, coordinating, regulating and supervising activities related to wetlands management. Government targets to increase the wetland cover from the current 8.9% to 9.57% by 2025.

A review of wetland management revealed the following;

- NEMA lacks an updated National Inventory on Wetlands.
- There is no approved wetlands gazette for declaring the 475 wetland systems of national or international importance in Uganda and protected areas.
- Out of the 20,000 titles issued in wetlands, only 660 (3.3%) titles had been cancelled in Kampala, Wakiso and Mukono.
- The NEMA register of permits indicated that the Authority had issued 785 permits, however there was no evidence of continuous evaluation and tracking of compliance of permit holders with the terms and conditions of the permits.
- NEMA failed to renew or revoke 708 expired wetland user permits.
- There was no evidence of submission of annual environmental compliance audits for 776 developers with eligible permits that had become due for audit.

The Accounting Officer of NEMA explained that the Authority had limited capacity in terms of number of Inspectors, vehicles, operational funds and monitoring systems to effectively carryout its mandate.

I advised the Accounting Officer to liaise with MoFPED, MoLHUD, MWE, Local Authorities and other relevant stakeholders to secure funding and enhance management of wetlands as they serve an important role in environmental conservation.

c) <u>Management of Central Forest Reserves (CFRs)</u>

The National Forestry Authority has the mandate to develop and manage all central forest reserves, and establish procedures for sustainable utilization of Uganda's forest resources for the benefit of Ugandans.

A review of Central Forest Reserves management revealed the following;

- There was illegal titling of land in CFRs. Out of the 122 illegal titles verified and submitted to MoLHUD for cancellation, only 2 had been cancelled by the end of the FY 2022/2023.
- There were un-demarcated external Forest Boundaries.
- There was a delay in approval of Eco-Tourism Guidelines which has been outstanding since their development in April 2014.
- There were six unlicensed eco-tourism sites in Kajjansi and Lutoboka CFRs.

The Accounting Officer attributed this to the inadequate CFRs monitoring systems characterized by poorly facilitated Law Enforcement personnel, and poor state and inadequate forest management infrastructure and equipment.

I advised the Accounting Officer to liaise with MoFPED, MoLHUD, and other relevant stakeholders to secure funding and enhance management of CFRs as they provide valuable environmental services and help maintain natural ecosystems.

3.2.11 DEVELOPMENT PLAN IMPLEMENTATION PROGRAMME

a) Revenue Collection performance

In FY 22/23, the Uganda Revenue Authority collected UGX.25.752Tn against a target of UGX.25.695Tn, leading to a surplus of UGX.57Bn. The Authority increased revenue collection by UGX 3.654Tn (14.2%) from UGX.22.098Tn in FY 21/22.

The GDP grew from UGX. 162.750Tn to UGX184.895Tn. This implies the Tax to GDP of 13.92 which is still below the desired 15%.

The performance of URA is commendable however, management should enhance its strategies to ensure sustainable growth of revenue collection to attain a commended tax-to-GDP ratio.

b) Inadequacies in revenue collections from minerals

(i) Absence of Tax Assessment and Payment on Exportation of Certain Minerals

A review of URA systems (ASYCUDA) revealed that 22 mineral categories exported other than Gold, in 6,469 instances worth UGX.72.490Bn were exported without any tax assessment and payment of the resultant taxes.

The Commissioner General attributed the occurrence to a lack of enabling Law to facilitate the collection of export levies for the listed minerals.

The government should enhance the existing laws and policies to facilitate the collection of revenue from all minerals exported.

(ii) Irregular Exportation of Unprocessed Minerals

In a letter dated 24th November 2011, H.E. the President of Uganda imposed a moratorium on the export of unprocessed iron ore and other minerals. However, a review of export data from ASYCUDA for the FY 2022/2023 revealed several instances whereby consignments of unprocessed minerals were made and subsequently exported despite the presidential directive.

I was not given any evidence to confirm whether there was a special permit to allow these exports. Non-compliance on exports of unprocessed minerals leads to loss of revenue and denies the Country the opportunity to add value to the minerals as well as the development of the backward and forward linkages.

URA Management explained that the Mining and Minerals Act 2022 repealed the Mining Act 2003 which imposed an export levy of 10% for unprocessed mineral exports. The Mining and Minerals Act of 2022 does not define the terms; "processed minerals" and "unprocessed minerals", which therefore brings ambiguity in the treatment of such cases.

The government should urgently review the existing legal framework with a view to ensuring that the Country benefits from its minerals.

(iii) Inability to Collect Taxes on Gold Exportation

The Mining and Minerals (Export Levy on Refined Gold) Regulations, 2023 imposes a levy of USD 200 per Kilogram on processed gold to be exported outside Uganda. The Regulations were valid from the 1st of July 2021 to the 30th of June 2023.

For the period of validity of the Regulations (i.e. financial years: 2021-2022 and 2022 - 2023), I was provided with a summary of all processed Gold exports on which the outstanding levy, at the rate of United States Dollars two hundred per kilogram of processed Gold was expected. The exports in 2021/2022 weighed 30,189.71 Kilograms and those in 2022/2023 were 40,648.2 kilograms, making a total of 70,837.91 kilograms. This translates to USD 14,167,582 equivalent to UGX.52.238Bn that was not collected contrary to Mining and Minerals (Export Levy on Refined Gold) Regulations, 2023.

The uncollected revenue denies the Government resources to deliver services.

URA explained that an interim order was issued restraining it from enforcing the Statutory Instrument.

The government should keenly follow up on this matter to its immediate and logical conclusion. Meanwhile, the Government should track all Gold exports to ensure the accuracy of the records to facilitate tax assessment and collection pending the disposal of the Case.

In addition, the legal framework should be reviewed.

3.2.12 PRIVATE SECTOR DEVELOPMENT PROGRAMME

a) Public Debt Management

(i) Status of Public Debt Portfolio

The total public debt as at 30th June 2023 stood at UGX.96.168Tn, comprising of Domestic Debt Stock of UGX.43.696Tn (45.4%) and the External Debt Stock of UGX.52.472Tn. (54.6%) This represents an increase of UGX.9.329Tn, equivalent to 10.74% compared to UGX.86.839Tn as at 30th June 2022. The table below shows the details;

Table 36: Table Showing Government Debt

Financial year ended	Domestic debt (UGX Bn)	Foreign debt (UGX Bn)	Total (UGX Bn)	% change
June 2023	43,696	52,472	96,168	10.74%
June 2022	38,376	48,463	86,839	15.60%
June 2021	30,806	44,313	75,119	32.04%
June 2020	17,975	38,196	56,892	23.5%
June 2019	15,221	30,905	46,057	-

From the above, it was noted that there has been a consistent increase in the total debt as evidenced by an increase of 107% in the five years from 2018/19 of UGX.46 Tn, to UGX.96.168Tn as at 30th June 2023. Relatedly, the GDP grew from UGX.132.090Tn (2018/2019) to UGX.184.895Tn (22/23) in the same period representing an increased growth of UGX.52.805Tn (39.98%). This implies that the public debt is growing at a higher rate than GDP. The increase in the debt is due to increased Government expenditure compared to the domestic revenue to fiancé the fiscal deficit.

The increasing trend in the government debt position compromises the Government's position to repay the debt and deliver services to the citizens.

The government is advised to review its debt strategy with a view to containing the upward growth of debt.

(i) <u>Analysis of External Debt</u>

Uganda's external debt as at 30th June 2023 is made up of Multilateral Creditors (UGX.32,426Bn), Bilateral Creditors (UGX.12,899Bn) and Commercial Banks (UGX.7,145Bn).

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.30.9Tn in the Financial Year 2018/19 to UGX.52.47Tn in 2022/23, representing an overall growth of 77.9% over the period.

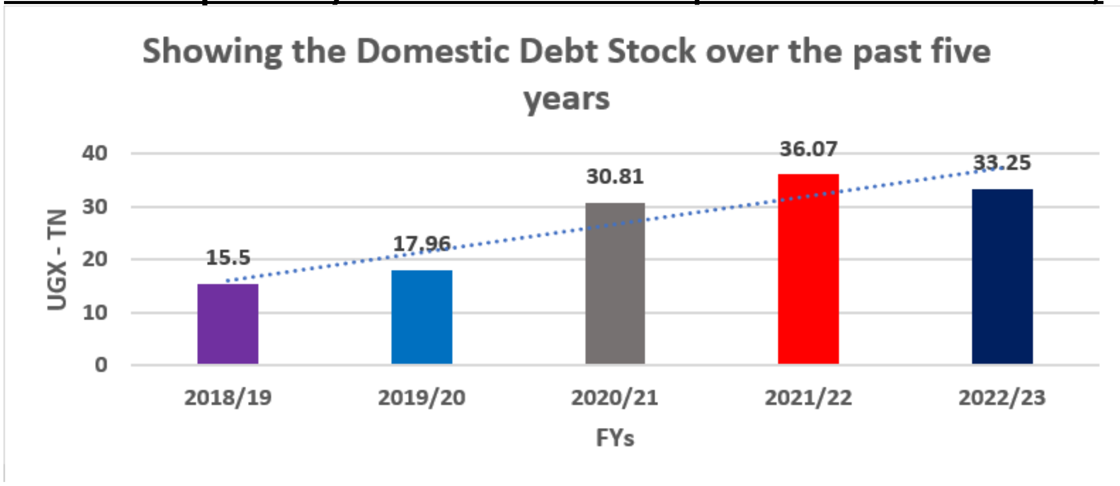
The major driver of the external debt growth is to finance the budget. (Budget support) The servicing of public debt may not be sustainable in the short and medium term if not checked.

The government is advised to review its priorities in order to reduce expenditure and enhance its domestic revenue mobilization strategies to reduce reliance on public debt.

(ii) <u>Domestic Debt Stock</u>

Domestic debt portfolio constituting of long (Treasury Bonds) and short-term borrowings (Treasury Bills and Government overdraft/temporary advances) stood at UGX.33.25Tn as of 30th June 2023 compared to UGX.15.5tn in the FY 2018/19 indicating a growth of UGX.17.5tn representing 58.38% over the 5 years.

Trends for the past five years of the domestic debt portfolio are illustrated below;



As indicated in the chart above, the domestic debt remains high and may crowd out private investment. This keeps the cost of borrowing high for the business community.

The government should consider initiating steps to reverse this trend and ensure fiscal budget discipline and promptly servicing a portion of such domestic obligations including interests.

(i) <u>Assessment of debt sustainability</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.

Objective 1 of the Charter for Fiscal Responsibility of Uganda (FY2021/22 – FY2025/26) targeted the total Public debt in Nominal terms to be reduced to below 50% of GDP by the financial year 2025/26. The charter specifically indicated that the debt-to-GDP ratio in the FY 2022/23 to be 53.1%.

A re-computation of Uganda's Debt to GDP ratio revealed a consistent linear growth over a period of five years and in the year under review, it was noted that the Debt to GDP decreased by 5.56% from 51.92% to 46.36% in the FY 2021/22 and FY 2022/23 respectively. The graph below illustrates the movement;

Although the government efforts have reduced the public debt to below the IMF recommended threshold, a lot needs to be done to sustain the downward trend.

The Government should review its interventions to sustain a downward of public debt and move towards self-sustainability.

(ii) Implementation of Uganda Infrastructure Fiscal Transfers Program-UGIFT

The Government of Uganda is implementing the Intergovernmental Fiscal Transfers (UGIFT) program results with the support of the World Bank to deepen fiscal decentralization by improving the Adequacy, Equity, and Effectiveness of financing and the oversight, management, and delivery of Local Government services in Education, Health, Water and Environment, and Agriculture (micro-scale irrigation), including refugees and their host communities. The World Bank has over the period FY 2018/19 to FY 2023/24 committed a total of US$500m to support decentralized services in Education, Health, Water and Environment, and Agriculture (micro-scale irrigation) as well as support interventions in Refugee host communities.

A review of the Program's implementation revealed the following;

(i) Non-conformance to the Medium-Term Plan (MTP) Financing Targets of Local Service Delivery

Section 2.2.3 of the UGIFT Program Operations Manual linked the MTP to the financing for local service delivery through uplifting transfers to the Local Government to realistically meet the costs for wage, non-wage recurrent spending and development spending on LG service delivery, the management and oversight of services in the sectors of Health, Education, Water and Environment, and Micro irrigation.

I noted that the Project is ending in June 2024. However, a comparison of the reported financing and the MTP 2022/23 financing target indicated underfunding of UGX.170.5Bn for the grants.

Failure to adhere to the financing targets may have negative implications for the intended beneficiaries and funding of the project. The government risks losing World Bank funding.

The Project Management explained that in line with the UGIFT Medium-Term Plan for uplifting local government grants over the program period (Financial years 2017/18 to 2023/24), the Government was not able to meet the financing commitments in FY 2022/23 due to resource constraints. As a remedy, the Government through the Ministry of Finance, Planning and Economic Development (MoFPED), in consultation with relevant MDAs, submitted to the World Bank proposals for restructuring of the UGIFT Program. However, by the time of writing this report in December 2023, the restructuring of the UGIFT Program request had not been approved by the World Bank.

The government should pursue the approvals to ensure that the planned interventions and objectives are satisfactorily implemented in delivering public service.

(ii) Review of Assessment of the Performance of Disbursement-Linked Indicators (DLIs)

According to the verification protocol contained in the program paper, DLI1 and DLI2 are supposed to be verified by the Independent Verification Agent, the Local Government Finance Commission (LGFC), while DLI3 to DLI6 were to be verified by an Independent Verification Agent (IVA) appointed by the Office of the Prime Minister (OPM). The LGFC carried out the verification and OPM appointed an independent verification agent in line with the programme operations manual who produced reports as per the terms of reference.

A review of the reports revealed instances in which some of the Disbursement-Linked Indicators were not fully achieved and cases of non-implementation.

From the assessment of DLIs 3 to 6 and the independent verification report, I noted that only USD.13.25Mn was realized, out of the outstanding USD.44Mn leaving a balance of USD.30.75Mn. This gives a performance of 30.1% below the half mark of the funds available. Further, USD.2Mn relating to DLI1 has been lost as penalties for not achieving the recruitment/deployment targets for Teachers and Health workers. The table below provides the summary;

Category	Total Value Available (2023) – USD Mn	Total Value Gained (2023) – USD Mn	Total Value Outstanding – USD Mn
DLI 3	6.00	1.00	5.00
DLI 4	16.00	6.00	10.00
DLI 5	8.00	4.25	3.75
DLI 6	14.00	4.00	10.00
Total	44.00	13.25	30.75

The major areas leading to the above underperformance are Refugee Response Action Environmental and safety Safeguards (E&S) Actions under DLI3 and Essential guidance, preparation and dissemination under DLI4, Low improvements by LG under DLI5 and failure to conduct Health and school assessment under DLI6.

The Government is exposed to the risk of completely missing out on the funding if the issues identified, are fully addressed given that the programme closure date of June 2024.

Project Management explained that despite the completion of the recruitment process by the Education Service Commission, the loss of USD 2M relating to DLI1 was occasioned by the delayed deployment of teachers due to resource constraints and that a supplementary budget had been issued in the FY 2023/24 for the deployment of recruited teachers.

The government should coordinate the MDAs in fast-tracking and addressing any implementation bottlenecks to ensure full utilization of the grant in delivering public service before the closure of the Project.

(iii) Loss of Revenue Due to Backdated E-Portal Inspection Records

The E-Portal used by the Uganda National Bureau of Standards (UNBS) is a standalone Standards Administration System for the clearance of imports (general goods and motor vehicles). The E-Portal through information sharing is linked to the Uganda Revenue Authority (URA) E-Tax and ASYCUDA World systems in the collection of Non-Tax Revenue (NTR).

I also established that all consignments highlighted by the Uganda Revenue Authority through ASYCUDA Customs system for the quality compliance intervention by UNBS are routed to the E-Portal system so that UNBS import inspectors can conduct the physical inspection of those consignments against the accompanying documentation.

I extracted data from the E-portal system database containing all inspection applications to UNBS and subsequent inspections done on each application for the past four financial years and noted 336 instances whereby the inspection dates of the various consignments were captured in E-portal before the actual dates the consignments were routed by URA ASYCUDA to the E-portal system.

The appearance of the inspection date before the application date implies that the inspectors did inspect the consignments before the date the consignments were routed by URA to UNBS. As a result, substandard goods may be released into the market.
Management explained that three staff have been interdicted while investigations are ongoing (both internal and at Police CID).

I advised UNBS Management to expedite the investigations and take appropriate action.

(iv) Implementation of the Uganda Warehouse and Receipting Systems Authority (UWRSA) Mandate.

The Warehouse Receipt Systems Act, 2006 establishes the UWRSA with the mandate of among others; licensing warehouses, licensing warehouse keepers, licensing warehouse inspectors, issuing negotiable warehouse receipts books, and carrying out and performing such other functions as are conferred or imposed on it by the Act.

Contrary to the above, the Authority has failed to implement many key activities of its mandate inspite having received a total of UGX.33.60Bn in the five years of its existence.

Failure to implement the mandate negatively affects service delivery and undermines the core reasons why the Authority was set up. Specifically, in the era where the Country's produce exports are being contested internationally because of low standards.

Government is advised to ensure the immediate implementation of the Authority's core mandate.

3.2.13 INNOVATION, TECHNOLOGY DEVELOPMENTS AND TRANSFER PROGRAMMES

i) Regulation of Research and Innovation

The country has had challenges in regulation of Science, Technology and Innovation (STI) such as; duplication of research projects, low uptake and implementation of research outputs, delayed completion of research projects among others. UNCST is the government agency mandated to regulate research in the country. During FY 2022/2023 a sum of UGX.3.11Bn was spent by UNCST in FY 2022/2023 to regulate science, technology and innovation. I undertook a review of the regulation of research by UNCST and below were my findings;

- UNCST has not conducted STI survey since 2014 and as such there is no reliable data or statistics on research and innovations. For instance, there is currently no data on the returns on investment so far made by government on various STI projects, indicating returns on investment in STI, or why the sector has not contributed to Uganda's socio-economic transformation as expected.

- Currently there is no national STI Knowledge Management System which would link results from the different research centres to ease access and dissemination. This has resulted in fragmentation of research knowledge and information which affects its usability.

- There is currently no policy guiding management of Access and Benefit-Sharing (ABS) of products developed through research and development. As a result, foreign countries have taken advantage and Uganda is losing out on potential income from its innovations.

- Out of the eight (8) specialized research scientific committees provided for under the UNCST Act, only three (3) committees namely; National HIV/Aids Research Committee, National Biosafety Committee, and National Research Ethics Committee are operational. This has significantly affected the operations of UNCST and the achievement of its mandate.

- Out of the 5,646 research studies that had registered in the last five years, UNCST had only inspected/ monitored 85 research studies representing 1%.

The above challenges have affected the quality of research outputs, affected knowledge creation and application leading to low innovation capacity, limited technology uptake, and use of scientific evidence.

I advised the Accounting Officer to engage the relevant stakeholders with a view of highlighting these challenges so that the appropriate resources can be provided towards the regulation of Science and technology Industry.

3.2.14 TOURISM DEVELOPMENT PROGRAMME

a) Delayed Gazetting of Cultural Sites

According to the Museums and Monuments Act 2023, the Ministry of Tourism is mandated to verify, document and gazette all sites and monuments identified. I reviewed the schedule of sites and monuments managed by the Department of Museums, Sites and Monuments and noted that there are 284 sites and monuments that have been documented but not yet gazetted.

I further noted that the inadequate availability of data coupled with the limited awareness of the value of cultural heritage by the communities poses a challenge in promoting and preserving these cultural heritages.

Failure to gazette the cultural sites exposes them to possible degradation arising out of encroachment, misuse and/or deliberate destruction.

Management explained that the Ministry of Tourism, Wildlife and Antiquities in conjunction with the first Parliamentary Council had drafted the instrument and was ready for submission to Cabinet for approval before gazetting.

I advised the Government to prioritize the gazetting of all cultural sites and monuments to preserve the Integrity of the Cultural and Tourist Sites.

b) Management of NTR in National Parks

(i) Weak security features on Gorilla Tracking Permits

Paragraph 7.3.2.3 (a) of the financial procedures manual 2016 states that UWA shall establish effective systems and controls for the identification, receipt, collection and safeguarding its financial resources.

The audit has observed that the permits extended to Tourists tracking Gorillas lack security features that could deter fraudsters. A number of conditions are placed on the back of the permit that include;

- Booking Number: This is only seen at the booking stage and at permit levels, implying that the system is not linked to finance for accountability purposes.
- Receipt Number: The permit does not provide for a receipt number and this is likely to allow for forgeries.
- Dates: The permit is expected to indicate dates when reservations were made, the expected tracking date
- Visitor's details: This area is not given the due attention it deserves. The visitor's details practically require an individual's details as prescribed. This assists in assessing information in case a tourist gets any complications during his/her stay with UWA.

None adherence to the Financial Procedures Manual leads to financial losses as such inconsistencies are likely to lead to the creation of duplicate permits leading to the loss of Gorilla tracking revenue for Government.

The Accounting Officer explained that Management has rolled out a new booking and revenue collection system which is integrated with the accounting system. The output from the two integrated systems is a ticket which has enhanced features i.e. Three QR codes for the ticket number, invoice and receipt respectively. The ticket also has other features that are intended to make it a better document than the earlier used permit. Extracts of the tickets are available for verification by the audit team. Management has therefore done away with the permit as a separate output/document for the tracking of gorillas and chimpanzees.

UWA should review the design of the permits and enhance its security features and system to improve on revenue collection and mitigate the risk of loss of revenue from Gorilla tracking.

(ii) <u>Non-Tax Revenue (NTR) Generation by the Ministry and its Agencies</u>

The Ministry and Agencies internally generated UGX.105.3 billion against a set target of UGX.92.8 billion for the FY 2022/23. This translated into 113 percent performance and this relatively good performance was attributed to higher-than-projected rate of recovery of Uganda's tourism especially for the activities in Protected Areas. The Uganda Wildlife Authority remains the largest contributor and accounted for 93% of all NTR collections.

I advised the Accounting officer to set realistic targets in the future.

(iii) <u>Infrastructure, Product Development and Conservation</u>

In this sub-programme, the Ministry of Tourism (Programme Leader) is charged with maintenance of tourism trails; internet connectivity of tourism sites; CITES permitting; souvenir and craft Centres; tourism roads; tourism product development; modernisation of UWEC; the legal framework for the Museums and Monuments sub-sector; cultural heritage conservation as well as the management of Uganda's Wildlife Protected Areas including 10 National Parks and 12 Wildlife Reserves.

A review of the sub-programme, revealed that a number of key strategic infrastructural interventions were not implemented in the period under review. Examples included, a 130 Kilometer of boundary marking in Bwindi and construction of a modern pier at the Source of the Nile.

The Accounting Officer indicated that the failure to achieve the planned infrastructural projects was caused by delays in compensation of affected third parties, insecurities in the conversation areas and non-release of the planned resources.
I advised the Accounting Officer to always ensure that all planned outputs are implemented during the financial year.

3.2.15 DIGITAL TRANSFORMATION PROGRAMME

a) Implementation of PDM

(i) Ineffective implementation of the PDM Information System

A review of the system functionality and analysis of the data extracted from the system for the financial year under review revealed that out of UGX.1.058Tn disbursed from MoFPED. Of the funds disbursed, UGX.720.233Bn had been borrowed and lent out to 737,653 beneficiaries, representing 675,384 households through the financial inclusion system leaving an unexplained balance of UGX.338.267Bn. The amount relates to disbursements not captured on the system.

This may indicate that some borrowers are not captured in the system or some funds are not accounted for through the system. As a result, the system may be producing unreliable data.

The Ministry of Information, Communications Technology and National Guidance explained that the responsibility of the Ministry of ICT/NG was to design, develop and deploy the PDMIS. This included Training of trainers (TOT) at all high-level LGs and support of the system up to the Parish level and this was done. However, the enforcement of the system uptake was affected by contradicting instructions from the PDM secretariat and other stakeholders causing some LGs to disburse funds off the system. In addition, some funds are yet to be disbursed by some SACCOs.

The PDM Secretariat should engage relevant stakeholders to stock-take the beneficiaries/borrowers and update the system to ensure complete data otherwise the unexplained balance should be properly reflected in the system.

(ii) Delayed completion of PDM data collection.

According to the PDM implementation roadmap for UBOS, data collection was jointly launched by UBOS and MOICT& NG in 181 HLGs on 6th June 2022 and was expected to be concluded on 31st July 2022. The data collection exercise was carried out by a mix of parish Chiefs/Town agents and other recruited officials with a good understanding of the community, literate, public servants and possessing a SMART phone, with UBOS' role being to review the Questionnaires and advising the MOICT on data collection.

However, a review of the status of PDM data collection revealed the following;

- There was a change in the data collection method from household module data collection to community module data collection without clear justification which may negatively affect the progress of PDM data collection.
- Out of 181 Higher Local Governments (HLGs) only 169 HLGs were not completed and have stalled at 41% progress level.
- Only two sub-regions of Karamoja and Acholi, with a coverage level of less than 5% of the country had been covered.

Although the field teams from the Bureau and the Ministry of Information Communications Technology and National Guidance carried out supervisory support visits and even offered further technical support to HLGs for the purpose of completing the exercise, data collection has been observed to be slow and is not as per plan.

This is attributed to the challenges of data collection application designs and network inaccessibility. The delay will lead to non-attainment of the planned objectives.
The Accounting Officer explained that Management will continue to liaise with the MOICT&NG and PDM Secretariat.

The government should fast-track the exercise to ensure the timely collection of data to guide the decision-making process in the implementation of PDM.

3.2.16 Sustainable Urbanisation and Housing Programme

The findings for this programme are contained in the individual reports of the entities in the programme. There were no significant reportable issues identified to be included in this report.

3.2.17 Legislation, Oversight and Representation Programme

The findings for this programme are contained in the individual reports of the entities in the programme. There were no significant reportable issues identified to be included in this report.

3.2.18 Sustainable Development of Petroleum Resources

The findings for this programme are contained in the individual reports of the entities in the programme. There were no significant reportable issues identified to be included in this report.

3.2.19 Manufacturing Programme

(i) Implementation of the programme approach to planning and budgeting

Government of Uganda (GOU) started implementation of the programmatic approach to planning and budgeting during the financial year 2022/2023. I undertook a review of the implementation of the programmatic approach to planning and budgeting and noted the following;

(ii) Misalignment of work plan activities and PIAPS out-puts

I analyzed the activities in the approved work plans of the participating entities to establish whether the PIAP out-puts for the programme would be achieved through implementation of these activities. Based on my procedures, I noted that out of the 53 activities worth UGX.445.7445Bn, only 7 (13%) activities worth UGX.409.956Bn were aligned to the PIAP out-puts, whereas 46 (87%) activities worth UGX.35.788Bn were not aligned to the PIAP out-puts.

Misalignment between activities in the work plans and the PIAPs frustrates the objectives of the programme and undermines the envisaged benefits of programme-based budgeting and planning.

It also casts doubt on the quality of work plans which are supposed to facilitate the achievement of program objectives.

The Accounting Officer explained that this originated from the time when PIAPS were designed as the out-puts were already misaligned. She stated that the Ministry had consulted NPA on this matter and that they had been advised that since they are in final year of NDPIII implementation, they could not revisit the PIAPS and that this matter would be addressed under NDPIV.

I advised the Accounting Officer to ensure that all activities in the work plan are linked to the PIAP outputs to enable achievement of the programme objectives.

(iii) <u>Failure to incorporate PIAP interventions within the entity work plans and budgets</u>

Paragraph 3.1 of the guidelines for the development of Programme Implementation Action Plans (PIAPS) defines a PIAP as a result-oriented actor specific plan for achieving the objectives of a respective NDP III programme. The PIAP provides details of the activities and resources required to deliver the NDP-III programme results.

I analyzed the approved work plans and budgets for the entities in the programme to confirm that the PIAPS interventions for implementation in the financial year 22/23 were incorporated in the work plans of the entities.

Out of a sample of 58 PIAP interventions analyzed, only 10 (17.24%) interventions could be traced in the respective entity work plans.
This implies that there is little or no reference to the approved PIAPs by the entities when preparing work plans. Due to implementation of non-aligned work plans, it was difficult to confirm that the programme objectives were achieved.

The Accounting Officer explained that the misalignment of PIAPS outputs as mentioned made the incorporation of PIAP intervention into the entity work plan difficult.

I advised the Accounting Officer to ensure that all PIAP interventions are incorporated in the entity work plans to enable achievement of all program objectives.

(iv) <u>Failure to constitute functional Program working group Secretariats</u>

Guideline 18 of the guidelines on the program working groups requires that each lead Ministry establishes a secretariat within their Ministry supported by the Planning Unit of the Ministry. The Secretariats are expected to provide administrative support to the respective program working Groups (PWGs).

Contrary to the above, I noted that the programs had not established the Programme Working Group Secretariat as required.

In the circumstances, there is a risk that the program may experience challenges in ensuring that the program activities are implemented in a coordinated manner.

The Accounting Officer explained that the Programme Working Group Secretariat was established and functional and that the minutes of the meetings of the PWG were available I was however not availed with these minutes for review.

I advised the Accounting Officer to establish program working groups to enable implementation of programme activities in a coordinated manner.

(v) Performance monitoring and measurement

Guideline 34 of the Programme Working Group guidelines states that to track progress of the PIAP, each PWG should review progress to ensure each PIAP output has been claimed by at least one Institution, identify what, when, and how the progress on the PIAP out-puts will be collected, evaluated and monitored, the progress on the PIAP out-puts will be evaluated at least once a quarter, develop a meeting schedule and format for contributors to the report.

On the contrary, I did not find evidence of quarterly reviews and tracking of performance for the PIAPs by the programme working group.

This implies that there is no clear mechanism of ensuring that monitoring of progress towards achieving the PIAP outputs is continuously done and as such, there is a risk that timely intervention will not be undertaken in case of under-performance. This may result in failure to achieve the NDP targets.

The Accounting Officer state that Quarterly reviews were undertaken and that minutes were attached.

I was however not availed evidence of undertaking quarterly reviews.

I advise the Accounting Officer to ensure that quarterly reviews are always undertaken to track performance of the PIAPs by the programme working group.

3.2.20 Sustainable Energy Development Programme

The Government of Uganda's policy objective is to increase investments in power transmission and rural electrification with the overall goal of increasing access and utilisation of electricity, accelerating grid infrastructure development and stimulation of demand and maintaining security of supply. Efforts have been made to ensure adequate electricity generation capacity for economic development through development of large generation plants, transmission and distribution infrastructure. The implementation of these objectives is through Ministry of Energy and Mineral Development (MEMD), Uganda

Electricity Generation Company Limited (UEGCL), Uganda Electricity Transmission Company Limited (UETCL) and Uganda Electricity Distribution Company Limited (UEDCL). I reviewed the implementation of the programme and noted the following;

1. Progress of Electricity Generation Infrastructure projects

- Completion and commissioning of Karuma HPP has substantially delayed. The dam was planned to be completed within 60 months but the actual duration of implementation is currently 114 months signifying a delay of 54 months. Other implementation challenges include accrual of interest claims of USD.30M on delayed payments, the delayed acquisition of reservoir land and the slow progress of the Resettlement Action Plan (RAP). Nevertheless, the overall physical progress of the project is now at 99.9%.

- I further noted delays in implementation of Community Development Action Plan (CDAP) projects yet the construction of the dam is at 99.9% completion. The progress on construction of the Seed school, hospital, mosque, church, and compensation of persons affected by blasting during construction had not progressed as planned. Management explained that full implementation of CDAP was hindered by unavailability of funds despite being budgeted for.

- The SCADA system at the Namanve Thermal plant is obsolete. The system facilitates efficient remote monitoring and control of power generation facilities, optimizing operations, efficiency, reliability, and security by facilitating seamless communication among stakeholders and therefore its current state compromises the safety, reliability, and availability of the plant. UEGCL has engaged MEMD and ERA and requested for supplementary funding of UGX.22Bn for the system upgrade.

- Although the defects liability period for Isimba HPP had expired on 31st March 2023, some major defects of the project had not been rectified. The EPC contractor was issued 776 snags to rectify, out of which 763 (98%) were rectified. The 13 unrectified snags have been outstanding since March 2019. The delays to rectify identified defects have increased the project costs and is likely to reduce the plant availability to 83.9% which will affect revenue generation.

I advised the Accounting Officers to accelerate completion of the major electricity generation projects by completing land acquisition, rectification of defects and CDAP.

2. Progress of Transmission infrastructure projects

- Key infrastructure aimed at accelerating grid development and stimulating electricity demand including Tororo-Opuyo-Lira, Mbale-Tororo, Kole-Gulu-Nebbi-Arua, Gulu-Agago and Mirama-Kabale transmission lines were behind schedule. The projects' progress was affected by acquisition of right of way challenges, impact of Covid-19, delays in submission of designs and inadequate mobilization of resources by the Contractors.

- The Uganda – Kenya regional inter-connector with a completion timeline of December 2022 was not progressing as planned. This was due to failure to secure sufficient right of way, vandalism and inadequate funds to purchase all required materials.

- While, the Uganda-Democratic Republic of Congo (DRC) Interconnection Project whose feasibility study should have advanced from inception to completion during the year, was at progress of 45% and the ESIA/RAP study was at 5%. The delayed progress of the studies was attributed to challenges in securing funding and procurement of consultants.

I advised the Accounting officer to fast track the development of critical transmission infrastructure in order to achieve security of supply and accelerate power demand.

3. Management of Electricity Distribution Assets under the UMEME Concession

UEDCL as the owner of the Distribution System is required to among others continuously monitor the Repair and Maintenance, installations, retirement, and modifications carried out by UMEME Limited, as the concessionaire, on the assets making up the Distribution System. I noted inadequacies in management of the grid assets as follows;

- From a sample of 5 out of the 13 distribution lines in the northern and eastern regions of the country under the UMEME distribution network, nearly half of the transformers on these lines were not in satisfactory condition. There were faulty surge arrestors that compromise the safety of equipment, oil leakages and bypassed High-tension and Low Voltage protection system hence risk of equipment damage, fire & safety hazards for personnel working on or near the transformers.

- I further noted power quality issues; long feeder lines, along Mbarara North-Kabale 33Kv and Ishaka-Rukungiri 33Kv which are 483km and 467km respectively, implying greater voltage drop leading to higher power losses, increase in chances of faults and failures along the line. In addition, the Supply reliability of Mbarara North-Kabale 33Kv line under the UMEME network is negatively impacted by faults from the UEDCL managed network at Muhanga, Kamwezi and Kabale.

- The land at Mityana, Mubende and Fort portal substations is encroachment on, which requires an urgent need for UMEME Limited to determine the true extent of land related assets and the integrity of their boundaries before their retransfer date as required by the Lease and Assignment Agreement. In addition, Vandalism of Stay assemblies, conductor and underground cables at Mutundwe – Masaka west and Mbarara North-Ibanda lines which disrupts the transmission of electricity, affecting the efficiency and reliability of the network.

I advised the Accounting Officer to ensure that UMEME Limited addresses the observed deficiencies and conducts the necessary repairs, maintenance, installations, and modifications to the distribution network in accordance with the terms outlined in the lease and assignment agreement.

3.3. OBSERVATIONS FROM OTHER THEMATIC AREAS

During the financial year, I conducted audits on other thematic areas whose summary findings are provided here.

3.4. SALARY PAYROLL SPECIAL AUDIT

In a letter dated 29th November 2022 referenced HRM 155/222/02, the Hon. Minister of Finance, Planning and Economic Development, requested me to carry out a Special Audit on Wage, Pension and Gratuity payroll management processes in order to stabilize the Wage Bill and find root causes and lasting solutions to the inherent issues related to payroll management.

In the request, the Hon. Minister noted that execution of the budget was characterized by Wage Bill overruns and persistent requests for supplementary funding to cater for shortfalls on salaries, Pensions and Gratuity, yet this is an area where numbers are certain and specific.

Additionally, the request contained a number of issues that were identified for urgent attention such as;

(i) Unauthorized Recruitments and Promotions;
(ii) Poor projection of Wage, Pension and Gratuity Estimates;
(iii) Mischarges, Illegal Deductions, and;
(iv) Delays in processing of Pension and Gratuity files among others.

The Hon. Minister further explained that whereas Government executed several reforms to militate against the persistent supplementary requests for additional funds to cater for Wage, Pension and Gratuity shortfalls, the reforms had not registered any significant results.

Pursuant to Article 163(3) of the Constitution of the Republic of Uganda, 1995 (as amended) and Sections 13(3), and 22 of the National Audit Act (NAA), 2008, I undertook a special audit in regard to payroll management in all the Ministries, Departments and Agencies (MDAs), Local Governments (LGs), State Enterprises and Corporations.

This report contains findings on the audit of the payrolls and gratuity management (for staff in active service) The gratuity (for retired staff) and pension management are to be audited separately.

The main objectives of the special audit were to establish the credibility of the GoU payroll, confirm the actual number of employees in Government service, estimate the payroll budget for the FY 2023/24, evaluate payroll management systems and make appropriate recommendations.

This Executive Summary contains the key findings and recommendations. The details of the consolidated findings are indicated in the succeeding sections of this report. The individual Institution reports have more details and have been issued separately. Below are the summarized findings of the audit;

Key Findings

3.4.1. Validation of Employees and special audit on Public Service Payroll in MDAs and LGs on IPPS/HCMS

a) Out of 362,007 employees in 89 MDAs and 176 LGs, a total of 326,019, (90.1%) were fully verified, 24,462 (6.8%) partially verified, 1,966 (0.5%) not verified, while 9,560 (2.6%) did not show up.

b) The 24,462 partially verified staff did not present all the requisite documents but were recommended to be temporarily left on payroll until the responsible Appointing Authority verifies them and takes appropriate action.

c) The 1,966 not verified employees appeared for validation but did not satisfy the requirements of the validation exercise. Accordingly, these have been omitted from the validated payrolls. I observed that a total of UGX.1.9Bn was paid to this category of employees for the base month alone (i.e. February 2023), which could lead to a potential annual financial loss of UGX.22.2Bn to Government.

d) Of the 9,560 employees who did not appear for the validation;

- A total of 1,886 employees were away for genuine reasons, including official leave, sick leave, secondment, and official work abroad among others. These have been left on the payroll, and arrangements ought to be made to ensure validation upon their return to duty.

- A total 5,878 employees were either transferred, confirmed dead, absconded, or retired by the time of validation. Out of these, 2,054 employees were removed from the payroll in time, while 3,824 were not deleted promptly and as a result, UGX.23.9Bn was irregularly paid to them after their exit date. These employees have been omitted from the validated payroll.

- A total of 1,796 individuals who were paid UGX.0.75Bn in the base month alone (i.e. February 2023), were non-existent and hence confirmed ghost employees. Payments made to these employees could have led to a potential annual financial loss of UGX.9.0Bn to Government. The extent of the total loss occasioned to government is to be determined once a full review of their personnel files is undertaken. These were accordingly omitted from the validated payroll.

e) A total of 6,955 individuals whose names were not on the base payroll (February 2023), appeared for the validation exercise and presented all pre-requisite documents. These individuals were confirmed to be genuine employees by Accounting Officers and have been accordingly included on the validated payroll.

The Accounting Officers attributed the shortcoming to; challenges in accessing the employees onto the payroll, disciplinary cases re-instated, teachers awaiting confirmation from the Education Service commission, employees who dropped off the payroll due to system issues, among other reasons.

f) Validation of staff on the Short-Term/temporary contract staff in MDAs revealed that, out of 6,251 employees in 29 MDAs, 5,651 (90.4%) were fully verified, 362 (5.8%) partially verified, 78 (1.2%) not verified while 160 (2.6%) did not show up. As already highlighted above, a similar treatment was applied to the short term/contract staff who were categorized as partial and not verified.

g) A total of 491 individuals whose names were not on the Short-Term/temporary contract staff payrolls in MDAs appeared for the validation exercise and presented all pre-requisite documents. These were confirmed by Accounting Officers as genuine Temporary/short term staff and have accordingly been included on the validated short-term payrolls for the respective entities.

h) A total of 73,689 employees in 82 MDAs and 172 LGs had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payroll and data captured by NIRA on the National IDs.

i) I compared the main payroll data in MDAs and LGs with IFMS payment files, and noted overpayments of UGX.6.4Bn made to 2,606 employees and underpayments of UGX.6.1Bn to 4,071 employees.

j) A comparison of the base pays as per entity payrolls with the base pay as per salary structures revealed that 81,537 employees in 27 MDAs and 166 LGs were paid on wrong scales/notches leading to overpayments of UGX.62.6Bn and 142,732 employees were underpaid by UGX.78.2Bn.

k) Under statutory obligations, I analysed the deductions on the Public Service Payroll and compared them with the remittances/payments made and noted an over–remittance of UGX.64.2Bn in 31 MDAs and 160 LGs and an under-remittance of UGX.80.8Bn in 45 MDAs and 171 LGs.

l) For non-statutory obligations, I compared the deductions on the Public Service Payroll with the remittances/payments made noted an over–remittance of UGX.21.7Bn in 19 MDAs and 156 LGs and an under-remittance of UGX.19.5Bn in 22 MDAs and 172 LGs.

m) Further noted was that four (04) entities which reported arrears of UGX.0.3Bn, diverted a total of UGX.6.28Bn from the wage funds and were given a supplementary wage budget of UGX.8.86Bn, as shown below;

Table 37: schedule of entities reporting arrears

SN	Vote name	F/Y 2022/2023		
		Salary arrears – UGX Bn	Amount Mischarged – UGX Bn	Supplementary amount – UGX Bn
1	Ministry of Education	0.100	0.491	0.327
2	Busitema University	0.016	0.649	-
3	Ministry of Foreign Affairs	0.128	4.076	1.289
4	Ministry of Agriculture, Animal Industry & Fisheries	0.04	1.059	7.246
	Total	**0.284**	**6.276**	**8.862**

The above implies that not all supplementary requests on the wage bill are justified since government releases the approved wage budgets fully.

n) Out of 133,670 approved positions in 75 MDAs and 167 LGs, a total of 70,490 positions were filled leaving a gap of 60,847 vacant positions as per their approved staff establishments. In addition, 13 MDAs and one (01) LG had 514 over-filled positions.

o) Four (04) MDAs did not have approved and costed staff establishments. In addition, I noted that seven (07) MDAs had outdated staff establishments in comparison to the entities' current needs.

p) A total of 31 MDAs maintained separate payrolls for mainstream staff and for the short-term/contract staff contrary to good practice. I observed that for entities that had already enrolled onto HCMS, the short term/contract staff payroll was processed outside of the HCMS. This practice also encourages mischarges, as the salaries for staff on the secondary payroll are always charged from other budget codes other than the recognised wage codes. This has further complicated wage estimation and management.

q) I noted that the 22 MDAs and 19 LGs diverted funds from the wage budget to the tune of UGX.28.03Bn to pay for other activities including unbudgeted for salaries of short term/contract staff, contrary to financial regulations. Relatedly, a total of UGX.94.95Bn was diverted from other budget lines (non-wage) to pay for employee salaries. This was attributed to contract staff remunerations being either insufficiently budgeted for, or not budgeted for at all. This practice is irregular

r) I noted that in 12 MDAs and 100 LGs, 3,847 employees were not paid salary amounting to UGX.9.7Bn in the period under review leading to arrears. I observed that the accumulated arrears are always cleared in the subsequent financial year which is an indication of insufficient planning and budgeting. However, I noted that at least Four (04) entities which reported arrears of UGX.0.28Bn, diverted/mischarged a total of UGX.6.28Bn and were given a supplementary wage budget of UGX.8.86Bn. I further noted that wage planning and budgeting are not done through the Programme Budgeting System (PBS) resulting in inadequate planning and budgeting. Accumulation of salary arrears reflects inadequacies in the payroll management processes. This has contributed to persistent requests for wage supplementary funding.

s) The PS/ST should ensure that going forward, any Accounting Officer submitting a request for supplementary wage budget should first provide full accountability for the initial wage funds availed, since all entities have been receiving full releases on their approved wage budget.

t) A comparison of the approved estimated wage bill in 41 MDAs and 71 LGs of UGX.2.505Tn with the recomputed payroll costs of UGX.2.294Tn revealed that the Accounting Officers overestimated the wage cost by UGX.0.211Tn. Relatedly, the approved estimated wage bill in 43 MDAs and 103 LGs of UGX.3.064Tn when compared with the recomputed payroll costs of UGX.3.423Tn, revealed an under-estimated wage cost by UGX.0.359Tn. These inaccuracies point to weaknesses in the Government's budgeting process, such as: unrealistic budgeting, budgeting for unapproved recruitments, budgeting for ineligible staff, unapproved salary increments and unreconciled wage bills, among others.

u) Analysis of the Budgets and Actual Expenditures in 49 MDAs and 176 LGs for the period 2019/20 to 2022/23 revealed that out of the UGX.8.013Tn approved budgeted wage funds for the four financial years, only UGX.7.261Tn was spent giving rise to un utilised wage funds amounting to UGX.0.752Tn.

v) A total of 38 employees in 10 entities were paid salaries from more than one vote, leading to double remuneration. I noted a combined total of UGX.0.58Bn was paid to these individuals over the period the period under review.

w) A review of the payroll data and IFMS payments revealed that 28 Local Governments made irregular transfers worth UGX.6.63Bn, which were not satisfactorily accounted for, and may have caused financial loss to government. During my interaction with Accounting Officers, I did not obtain satisfactory explanations regarding the above expenditures. The PS/ST should take appropriate action on the concerned Accounting Officers with a view of recovery of the funds in question.

x) I noted that 12 teachers were deployed to non-existent schools in Napak DLG and were subsequently paid a total of UGX.0.45Bn during the period under review.

y) Unique findings in the Uganda Police Force (UPF) payroll included the following;

- NINs for 284 individuals, did not have corresponding matches in the NIRA data, which points to inaccuracies within UPF's payroll data.

- Nine (09) individuals on the payroll were below the age of 18 as per the public service records while one (01) individual was below the age of 18 in the NIRA records.

- NINs for 16 individuals on the payroll data, were shared by at least two staffs on the payroll.

- UPF employs 2,636 Special Police Constables (SPCs) on part-time basis, to assist and provide supplementary support to the regular Police Force, on short-term (annual) contracts with the Force. However, although their positions are not provided for in the approved staff establishment, over 72% of the officers on the one-year renewable contracts have held these positions for over ten (10) years. Most of their contracts had expired, implying that, their continued inclusion on the police payroll was not supported. I further observed that their recruitment was not properly documented.

3.4.2. Validation of Employees in Public Service Entities using other Payroll Management Systems (PMSs)

a) Out of 13,466 employees on the main payroll in Public Service entities using other payroll management systems (PMSs), 12,947 (96.1%) were fully verified, 297 (2.2%) partially verified, 09 (0.1%) not verified while 213 (1.6%) did not show up.

b) Relatedly, out of 2,061 employees on the Short-term/Contract Payroll in Public Service entities using other payroll management systems (PMSs), 1,902 (92.3%) were fully verified, 11 (0.5%) not verified while 148 (7.2%) did not show up.

c) A total of 235 employees (142 on short-term contracts and 93 on the main payroll) who received UGX.0.50Bn on the payroll (annual cost implication UGX.6.0Bn) did not appear for the validation and were recommended to be removed from the payroll.

d) A total of 172 employees (64 on main payroll and 108 on short-term contract) whose names were not on payroll for entities not using IPPS/HCMs appeared for the validation exercise and presented all pre-requisite documents. These were included in the validated payroll, following concurrence from the Accounting Officers regarding their employment status.

e) A total of 74 employees in four (04) entities were paid on wrong scales/steps/levels/notches leading to overpayments of UGX.1.26Bn and underpayment of UGX.0.13Bn to six (06) employees.

f) A comparison of the approved estimated wage bill in 33 entities of UGX.559.8Bn with the recomputed payroll costs of UGX.499.1Bn revealed that the Accounting Officers overestimated the wage cost by UGX.60.7Bn. Relatedly, a comparison of approved estimated wage bill in 25 entities of UGX.168.2Bn with the recomputed payroll costs of UGX.196.7Bn revealed an under-estimated wage cost of UGX.28.5Bn. In the same vein, these inaccuracies point to weaknesses in the

Government's budgeting process, such as: unrealistic budgeting, budgeting for unapproved recruitments, budgeting for ineligible staff, unapproved salary increments and unreconciled wage bills, among others.

g) Analysis of the Budgets and Actual Expenditures of 43 entities for the period 2019/20 to 2022/23 noted that out of the UGX.1,217Bn approved budgeted wage funds for the four financial years, only UGX.1,149.4Bn was spent giving rise to un utilised wage funds amounting to UGX.67.6Bn.

3.4.3. Other Government Organisations

a) Out of 12,231 employees on the main payrolls in 29 Statutory Corporations, Authorities and Government Companies, 11,668 (95.4%) were fully verified, 299 (2.4%) were partially verified, 03 (0.02%) were not verified, while 261 (2.1%) did not show up.

b) Out of the 261 employees who did not show up, 140 (53.6%) were accounted for as being away for genuine reasons, and 104 (39.8%) who were paid UGX.321Mn were confirmed as employees who exited due to death, abscondment, retirement and termination, thus were recommended to be deleted on the payroll in the respective entities. A total of 17 (6.5%) staff were not accounted for by the Accounting Officers. These earned a monthly pay of UGX.87.2Mn which translates into an annual financial loss of UGX.1.05Bn as shown in the table below;

Table 38: showing Employees in Other Government Organisations who did not appear for the Headcount and were not accounted for

SN	Organisation/Entities	No of employees	Monthly gross pay (UGX)
1	Post Bank Uganda Limited	4	7,764,694
2	Uganda Civil Aviation Authority	13	79,471,893
	Monthly Total	**17**	**87,236,587**
	Potential Annual loss		**1,046,839,044**

c) Employees on main and short-term contracts from 11 other Government organisations had inconsistencies in names (64 employees) and dates of birth (188 employees) and the responsible Accounting Officers were encouraged to engage the affected employees and update their records.

d) In two (2) entities, 343 employees were not paid salary amounting to UGX.2.2Bn, in the period under review leading to arrears which may result in unnecessary litigations. Accounting Officers were advised to secure resources and clear arrears. Details in the table below;

Table 39: Schedule of Entities with unpaid Salaries UGX.2.2Bn

SN	Entity	No. of staff	Amount – UGX
1	National Housing and Construction Company	86	1,043,789,430
2	Kilembe Mines Limited	257	1,147,333,504
	Total	**343**	**2,191,122,934**

e) I noted that five (5) entities were operating Provident Funds or Retirement Benefits Schemes, in which the both employees and the entities concerned were contributing monthly. However, this was in addition to the Statutory NSSF contributions that were being made by both employer and employee, leading double contribution by the employing entity. A total of UGX.55Bn was paid in this regard as shown in the table below;

Table 40: Schedule of entities running in-house provident funds

SN	Vote name	Contribution %	Amount (UGX)
1	Housing Finance Bank	10%	8,945,526,950
2	Post Bank Uganda Limited	10%	4,479,730,965
3	Uganda Development Bank Limited	10%	2,408,888,921
4	Bank of Uganda	17.1%	39,298,082,114
5	Deposit Protection Fund	17%	-
	Total		**55,132,228,950**

Table 41: Summary of proposed Employee Deletions from the Payroll Arising from the Payroll Special Audit Exercise

Description/ Entity Categorisation	Number of Employees				Annual wage pay – UGX, Bn			
	MDAs & LGs processing through MoPS	**MDAs Utilizing other PMSs**	**Other Government organizations**	**Total**	**MDAs & LGs processing through MoPS**	**MDAs Utilizing other PMSs**	**Other Government organizations**	**Total**
Number of staff omitted although they appeared for validation	1,966	9	3	**1,978**	22.224	0.168	0.048	**22.44**
Employees who did not appear for Headcount but accounted for (Delayed deletion from payroll)	3,824[5]	94	104	**4,022**	23.9	0	0	**23.9**
Employees who did not appear	1,796	5	17	**1,818**	5.55	0.12	1.08	**6.75**

[5] This amount includes a total of 1,656 employees of Uganda Police Force alone who were paid a monthly total of UGX.921Mn translating into an annual total of UGX.11.1Bn.

Description/ Entity Categorisation	Number of Employees				Annual wage pay – UGX, Bn			
	MDAs & LGs processing through MoPS	MDAs Utilizing other PMSs	Other Government organizations	Total	MDAs & LGs processing through MoPS	MDAs Utilizing other PMSs	Other Government organizations	Total
for Headcount and not accounted for (Possible ghosts)								
Total number removed	**7,586**	**108**	**124**	**7,818**	**51.674**	**0.288**	**1.128**	**53.09**

Total Computed potential loss to Government is **UGX.53.1Bn.**

3.4.4. Systems Review of HCMS and IPPS

The following were the key findings from my review of the IPPS and HCMS implemented by the Ministry of Public Service (MoPS);

a) Delays in implementing the HCMS were observed potentially risking cost overruns, demotivation to implementers and users, as well increasing the resistance to change and early adoption. The PS MoPS was advised to revitalize and re-purpose the strategy to effectively deliver the project in time.

b) The system implementation inception report provided only for 248 votes, in a three-phase manner, despite having 359 votes (as of January 2023), using IFMS across the entire Government. This was partly attributed to limited scoping, which could hinder early adoption of the system. The PS MoPS was advised to mobilize resources and re-scope implementation by first targeting all Government institutions starting with those using IFMS.

c) Whereas the HCMS has budgetary controls for proper employee cost management, I noted that individual votes were preparing budget estimates off the HCM system due to mismatches between actual and HCMS-recorded staff structures. This has created avenues for multiple payments, budget shortfalls and continuous supplementary budgets. This anomaly was attributed to the following;

- Delayed operationalization of the recruitment management module in the HCM. The module ought to have been used in the preparation and approval of recruitment plans as well as in wage budgeting and forecasts.

- Delayed integration between HCMS and Programme Budgeting System (PBS). Consequently, data relating to wage estimates cannot be seamlessly shared between the two systems to enhance budgeting and resource allocation. Our interaction with Management revealed that the integration with PBS is final stages.

- Continued operation of parallel systems (IPPS and HCMS) without using one centralized database to process the entity's payrolls.

- Direct payment of wages through IFMS outside the payroll management systems.

d) HCM system currently only supports profiles for permanent and contract employees, excluding temporary and project-based staff. This could lead to challenges in tracking, managing, and reporting on the entire scope of human resources within Government.

e) A review of 10 Phase I entities sampled revealed that UGX.46.9Bn was paid through HCMS and UGX.52.98Bn was paid through IFMS, leading to a variance of UGX.6.1Bn. This was due to payments of staff who were left out during the system migration for different reasons without appropriate engagement with the affected entities. The PS MoPS was advised to streamline and manage an integrated payroll by including all employees who were genuinely recruited.

f) HCMS was meant to have 23 interconnected modules to enable the Government to fulfil its mandate with regard to Human Resource Management. However, 21 modules were proposed and most entities were using less than 5 modules casting doubt on attainment of full value for money from the investment. The PS MoPS was advised to review the certification process to guarantee that all modules are developed and deployed to achieve the project objectives.

g) A total of 102 sites had been deployed on the HCMS, however, a review of the Payroll and Deduction Module on the HCMS dashboard revealed that among the 102 sites, there are entities that are still having operational issues. As a result, some entities were not using the system and if the use is not enforced, this may lead to system implementation failure. The PS MoPS was advised to engage all stakeholders to explore ways of enforcing the implementation of HCMS.

h) I observed a noticeably slow uptake of the HCMS by its designated users, despite the Government's investment in user licenses. A significant number of users in votes that have been migrated to HCMS have never logged into the system, an indicator of system resistance. The PS MoPS should enhance the project implementation monitoring activities and consider changing the management structure of its project implementation hierarchy.

i) HCMS has not integrated with the Service Commissions, Boards and Authorities to facilitate the retrieval of recruitment and promotional minutes on the recruitment module. The PS MoPS was advised to engage the relevant stakeholders and fast-track the integration.

j) Whereas the MoPS have integrated with the NIRA National ID system, it has not integrated with the system birth and death registration systems. This may lead to continued payment of salaries to deceased staff, as they may not be promptly removed from the payroll in a timely manner.

k) I noted that the figures presented on several pay slips from HCMS, do not represent the true salary payments paid through IFMS. Instead, they reflect invoice amounts due to the one-way interface between the HCMS and the IFMS. The PS MoPS was advised to engage the Accountant General and complete the interface between HCMS and IFMS to make it a two-way interface, to ensure that the paid invoices report, is sent back to HCMS to facilitate reconciliations.

3.4.5. General crosscutting issues

a) Ambiguity in the definition of a Public Servant/Officer

I noted that several Government bodies were established by Parliamentary Statutes which give them a corporate and separate legal existence. The Statutes established Boards with the mandate to regulate the activities of the said entities including the management of personnel as appropriate. In addition, the Attorney General's office provided varying guidance on the definition of a public servant and the application of the Public Service Standing Orders to some of these statutory bodies. This has created ambiguity on whether or not the said staff are public servants under the purview of the Public Service Standing Orders and Pension Act Cap 286.

b) Management of casual workers or short-term employees

Public Service Standing Orders 2021 do not give guidance to Accounting Officers on the management of casual workers or short-term employees in Government Service, despite having a reasonable number of employees in this category in Government Service. The practice and policy are not in tandem. I advised the PS MoPS to consider reviewing the Policy in light of Regulation 39 (2) of The Employment Regulations 2011, as well as case law, which now guides that such workers are deemed to be permanent employees having served beyond a minimum period of time.

c) Absence of costed organisational structures

I noted that several Organisation structures were not costed to establish the cost implications and were not aligned with the resource envelope. Relatedly the Education and Health structures were not aligned to the Local Government establishment. Alignment and costing of these structures should be undertaken by the responsible stakeholders, including the Ministries of Local Government, Public Service, Finance Planning and Economic Development, among others.

d) Implementation of entity-specific HCMS

I established that several Public Service Institutions are implementing Human Resource Management Systems (HCMS's) without an option of integration with the Ministry of Public Service HCMS, hindering Government effort of seamless sharing of data. The PS MoPS should engage such entities to allow for integration or interfacing of the entity systems with that of MoPS where appropriate, to enable MoPS have proper oversight over the entire public service.

e) Inconsistencies in Payroll Formats

I noted that Payrolls that were submitted to me for validation from all Government Ministries, Local Governments, Agencies, and Authorities had inconsistencies in formats, with some of them not capturing the basic key fields such as the employee National Identification Number, dates of appointment, designations, and salary scales among others. Harmonization of the payrolls in all government bodies was recommended, to enable easy amalgamation for analytical purposes.

f) Limited Ownership of HR aspects at Strategic Level

I noted that across most Government entities, the role of the Head of Human Resource (HR) is not emphasised in their strategic Management levels, despite playing a crucial role in addressing employee aspects including: recruitment planning, managing employee performance, ensuring fair and ethical practices and fostering a positive work environment. HR specializes in managing and guiding people-related issues, including talent attraction, employee development and management, exit and organizational culture, aimed at enhancing overall Organisation performance.

I noted that whereas the Ministry of Public Service (MoPS) established the Principal Human Resource Officer as the highest position in Local Governments (LGs) and the Commissioner of Human Resource as the highest position in some Ministries, Departments, and Agencies (MDAs), practical implementations deviate. In some LGs, the HR functions are led by Senior HR Officers or HR Officers. Additionally, HR personnel lack representation in the Technical Planning Committee (TPC), which is a top management structure in the LGs, whereas in some MDAs, the HR function is overseen by Assistant Commissioners and officers below.

Therefore, management structures and the role of the Head of Human resource departments remain a grey area that requires a policy framework if Human resources and Payroll management are to be effectively managed in public service. During the special audit, I did not obtain evidence that this policy framework currently exists.

The Ministry of Public Service should provide policy guidance on appropriate management structures which could also take into account the peculiarities of each MDA and LG. The role of HR needs to be given recognition at strategic levels, so as to effectively guide management in strategic and operational matters related to HR and Payroll management, to avoid some of the irregularities identified in this report.

The above issues and recommendations require urgent attention to accelerate the gains in the payroll management reforms, eliminate the leakages of wage funds, and obtain value for money.

3.5. PARISH DEVELOPMENT MODEL AUDIT

3.5.1. Implementation of the Parish Development Model

The Parish Development Model (PDM) is a strategy for service delivery by the Government of Uganda to improve the incomes and welfare of all Ugandans at the household level by transforming 39% of households from a subsistence economy to a money economy as approved by Parliament; whose outcomes will be measurable in the FY 2024/2025 at the closure of the NDP III.
The PDM is implemented under seven (7) pillars and the primary pillar is the "Agriculture Value Chain Development (Production, Storage, Processing, and Marketing)". The other six pillars which support the primary pillar include: Infrastructure and Economic Services; Financial Inclusion (FI); Social Services; Community Mobilization and Mind-set Change; Parish Development Management Information System (PDMIS); and Governance and Administration.

In the FY 2022/2023, Parliament appropriated UGX.1.142Tn for the PDM Programme, of which UGX.1.059Tn was for the Parish Revolving Fund (PRF) to finance 10,594 PDM SACCOs in 176 LGs and Kampala Capital City Authority (KCCA). Each SACCO is supposed to receive UGX.100Mn in a financial year to develop and implement viable community led income generating enterprises. In addition, a sum of UGX. 82.65Bn was released to specific entities;

Out of 176 Local Governments (LGs), I sampled 159 (90.3%) LGs, 4 out of 25 participating Ministries, Departments and Agencies (MDAs) and Kampala Capital City Authority (KCCA).

Below are my findings which are not included in the summaries contained in the report of the Consolidated Financial statements in Part 2 above;

a) Positive Observations

I noted the following areas where LGs, MDAs and KCCA had commendable performance;

- Pillar 2 - Infrastructure and Economic Services, Pillar 5 – Mind-set change and cross cutting issues and Pillar 7 - Governance and Administration had approved pillar manuals.
- The training of 18 Master trainers was carried out by the PDM Secretariat.
- The ToTs and the HLG Core Implementation Teams was conducted in all LGs.
- UGX.1.059 trillion was released for the PDM revolving fund to 10,586 PDM SACCOs.
- UGX. 82.65 Bn for FSD - Support, PDM Secretariat and support to coordination, mind set change interventions, IT Support, data collection and validation, administration costs and salaries for parish chiefs was released as planned.
- UGX.1.058 trillion was transferred to 10,586 SACCOs with evidence of submission of attestation form from Accounting Officers to the Secretariat and MoFPED to confirm that the PDM SACCOs meant the required conditions.
- All the 10,586 SACCOs were registered under the Cooperative Societies Act to ensure the legality of the Organisation.

b) Areas of Improvement

I noted the following areas where the MDAs, LGs and KCCA needed improvement;

(i) Planning and Budgeting

I reviewed the 159 LGs, KCCA and MDAs approved work plans and budgets for PDM activities and noted the following.

SN	Audit observation	Recommendation
a)	**Alignment of Work Plans and Budgets to the PDM**	
	Alignment of MDA Work Plans and Budgets to the PDM PDM Working Groups are required to assist participating MDAs to align their plans and budgets to the PDM. A comparison of the Working Group activity implementation action plan with the MDA budgets and work plans revealed that the Ministry of Local Government, the Ministry of Works and Transport and the Ministry of Agriculture, Animal Industry and Fisheries did not align their work plans to the pillar action plans. Failure to align budgets and work plans to PDM hinders the achievement of pillar objectives. The Accounting Officer of MoLG promised to align the Ministry budget and work plan with the PDM action plans after undertaking training and capacity building of the Ministry's planner. No response was received from other Accounting Officers.	The Accounting Officers should ensure that the Ministries' budgets and work plans are aligned to their respective PDM pillar action plans in accordance with the requirement of the PDM National policy framework.
	Alignment of the LGs and KCCA Work Plans and Budgets to the PDM I reviewed budgets and work plans of 74 out of 159 LGs and noted that out of the 1,743 priorities received from 1,244 Lower Local Governments (LLGs); 949 were incorporated in the LGs' budgets and work plans, while 794 were not incorporated in the entity work plan and budgets. I was not availed with evidence for the identification of PDM parish/ward priorities for onward submission to the divisions/Sub-counties and Municipal Council/District in 105 LGs. Failure to incorporate priorities from the parishes/wards to Sub-Counties/Town Councils/Division may hinder the identification of priorities from the grass root which eventually affects the achievement of the PDM objective of improving the incomes and welfare of all Ugandans at the household level.	• MoFPED should ensure that adequate resources are allocated for the implementation of all prioritized activities. • The Accounting Officers should; ✓ Ensure that PDCs and LLGs are trained in the prioritization and incorporation of PDM activities in the budgets and work-plans. ✓ Ensure that priorities from LLGs are incorporated in the

SN	Audit observation	Recommendation
	The Accounting Officers attributed this to; • Limited funding to incorporate and implement all identified parish priorities. • Inadequate guidance to Lower Local Governments (LLGs) on prioritization of PDM activities in the budgets and work-plans. • Failure by LLGs to submit priorities received from parishes/wards to the LGs. • Use of a different mode of identification of priorities through consultative budget conference instead of the stipulated procedure in the PDM guidelines. • Non-functional PDCs to guide the identification of PDM priorities. • Late communication of PDM guidelines in October 2022 after approval of the LGs' budgets and conflicting guidelines issued by the Secretariat. • Capacity gap in the implementation of the PDM. • Lack of clear guidelines on the incorporation of the priorities in to the LGs budget for PDM.	LGs budgets and work plans. ✓ Ensure that all LLGs submit priorities from parishes/wards to the LGs. ✓ Ensure that all PDCs are fully constituted and functional. • The PDM Secretariat should issue comprehensive guidelines on the incorporation of the priorities in to the LGs budgets in time.
b)	**Creation of vulnerability index databases** My interaction with the Ministry of Works and Transport revealed that the Ministry did not develop the formula to calculate the Parish vulnerability index. In addition, I did not obtain evidence that the MoLG, MoWE, MoEMD, ICT&NG, and MoLHUD developed the formula to calculate the Parish vulnerability indices as required by the guideline. Parishes that urgently needed social services may not have been prioritized during pillar activity selection.	The Accounting Officers of the Ministries participating in pillar 2 should ensure that the respective vulnerability index formulae are developed and approved according the pillar manual.
c)	**Wealth ranking of households** I noted that wealth ranking by CDO, Parish Chief, and LC1 chairpersons was later abandoned and replaced with wealth ranking using the PDMIS. I further observed that the PDMIS wealth ranking had inefficiencies and was also abandoned. As a result, the Secretariat issued guidance allowing LC I and the community to select eligible PDM beneficiaries. My interactions with the Parish Chiefs and Accounting Officers during my field visits revealed that the vetting by LC I and the	• The PDM Secretariat should; ✓ Issue a scientific method of conducting the wealth ranking of households. ✓ Liaise with the Accounting Officers to ensure timely

SN	Audit observation	Recommendation
	community was subjective which may result into identification of ineligible households. Furthermore, the Secretariat provided guidance to the Parish Chiefs to collect data on household and update the PDMIS. There is no scientific method of identifying subsistence households. The failure to identify subsistence households using scientific and credible wealth ranking tool may lead to subjective selection of the beneficiaries who may not be subsistence households. Accounting Officers attributed this to; • Contradicting guidelines by different authorities including the PDM implementation guidelines, and the national coordinator. • Inadequate resources to conduct the wealth ranking exercise. • The non-functionality of the PDMIS system in regard to generation of the anticipated subsistence households from wealth ranking activity. • Inadequate training and guidance given to Parish Chiefs, Town Agents and data collectors. • Impractical wealth ranking tool that could not accurately identify beneficiaries. • Insufficient time allocated to the wealth ranking exercise. • Lack of the required gadgets for the wealth ranking exercise.	training of Parish Chiefs and Town Agents. • MoFPED should provide adequate resources to conduct the wealth ranking exercise. • The MoICT should rectify the challenges with the functionality of the PDMIS system in regard to generation of the anticipated subsistence households from wealth ranking activity. • The Accounting Officers should; ✓ Sensitize the community and PDM structures on wealth ranking. ✓ Liaise with the PDM Secretariat to ensure timely training of Parish Chiefs and Town Agents.
d)	**<u>Exclusion of Parish/Wards in MOFPED PDM Plans/Budgets</u>** I noted that MoFPED maintained a parish database of 10,594 as a basis for funding PDM SACCOs in the FY 2022/2023. However, the list of gazetted administrative units as at June 2022 from the MoLG indicated 10,717 parishes, thus leading to a variance of 123 parishes. This challenge is further observed in the FY 2023/24 were 118 parishes were not budgeted for. Summary indicated in the **table below**.	MoFPED should always reconcile their planning data whenever new parishes are gazetted by MoLG to identify new parishes to be funded.

<table>
<tr><th>SN</th><th>Audit observation</th><th>Recommendation</th></tr>
<tr><td></td><td>

Details	Parishes as per MoLG	Parishes as per budget allocation	Possible exclusion from PDM
FY 2021/2022	10,594	10,594	0
FY 2022/2023	10,717	10,594	123
FY 2023/2024	10,717	10,599	118

Omission of gazetted parishes/wards excludes them from benefiting from the PRF funding which undermines the PDM objective and distorts the planning and budgeting for the programme. As a result, PDM objective of eradicating poverty may not be achieved, thus affecting economic transformation.

The Accounting Officer of MoFPED explained that the PDM budget for FY 2021/22, was informed by a schedule of 10,594 gazetted parishes in 176 Local Governments and Kampala Capital City Authority submitted by Ministry of Local Government (MoLG) thus 10,585 was the official list used by MFPED for PDM payments excluding 9 Parishes which did not furnish complete information for transfer of funds.

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<tr><td>e)</td><td>

Delayed completion of PDM data collection

MoFPED released UGX.4.0Bn to Uganda Bureau of Statistics (UBOS) in the FY 2022/23 for Data collection and validation.

A review of the status of PDM data collection revealed the following;

- The household level data collection that was started on 8th June, 2022 in 169 out of 181 Higher Local Governments (HLGs) and KCCA administration units was not completed and stalled at 41% progress level.
- In FY 2022/23, there was a change in data collection method from household to community module without clear justification. Using the new method, only Karamoja and Acholi sub-regions had been covered by the time of reporting representing less than 5% of the country.

The household level data will not be used since it was incomplete and the exercise abandoned, thus the funds spent is considered a financial loss to government.

Relatedly, in the new community module data collection adopted in FY 2022/2023 may not yield the best results to identify qualifying beneficiaries.

The Accounting Officer further explained that the role to design and maintain the application lies with the MoICT&NG.

</td><td>The Accounting Officer of UBOS should the review and align the community data collection method to enable identification of qualifying beneficiaries. Meanwhile, the exercise should be fast tracked.</td></tr>
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4.1 Review of the PDM Governance Structures

I reviewed the existence and functionality of the PDM governance structures at the Local Government and KCCA, Parish and SACCO level and made the following observations;

SN	Governance Structure	Observations	Recommendation
1.	**The Pillar Working Groups** Requires PDM Pillar Working Groups to review, propose amendments to the Operational Guidelines and respective Pillars Manuals, and to assist in the alignment of plans and budgets of MDAs to the PDM.	• Pillar 1 - Production, Processing and Marketing, Pillar 4 - Social Services, and Pillar 6 - Parish Based Management Information System (PDMIS) did not have approved pillar manuals. • Although Pillar implementation action plans had been developed, to individual participating entities did not align their budgets and work plans to the pillar implementation action plans. It was further noted that some of the action plans did not have quantified activities. • All the 7 Pillar working groups did not submit the required number of quarterly performance reports to the PDM Secretariat. • Failure to develop pillar manuals, action/work plans, and monitor performance may hinder the alignment of plans and budgets of MDAs to the PDM. The Pillar lead agencies attributed this to inadequate funding.	MoFPED should avail the required funding to facilitate the implementation of the Pillar Working Group activities.

2.	HLG Core Implementation Teams The HLG Core Implementation Team shall constitute: the LG Accounting Officer (AO) as Chairperson, the District Production Officer (DPO), District Commercial Officer (DCO), District Planner, and the District Community Development Officer (DCDO).	• 55 LGs did not prepare quarterly performance reports. Out of 04 quarterly performance reports, 4 LGs prepared 03 reports, 7 LGs prepared 02 reports while, 2 LGs prepared only 01 report. • There was no evidence of; Mobilization and sensitization of the **various** stakeholders at all levels including communities in 33 LGs. • In 48 LGs, there was no support for the continuous formation of PDM **enterprise** groups. • There was no training of the PDM **enterprise** groups and SACCOs in 24 LGs, and • In 44 LGs, there was no continuous data **collection** at household and community levels. This negatively affected mobilization, sensitization, data collection and training of the PDM enterprise groups and SACCOs. The Accounting Officers attributed this to inadequate funds to support the operations of the District teams.	The Accounting Officers should mainstream PDM activities into the LGs budget which should be funded by MoFPED.
3.	Parish Development Committees (PDC) The Parish Development Committee (PDC), which comprises 7 members of the community, inclusive of the Parish Chief as the Secretary, is responsible for overseeing and coordinating the development activities within the Parish, mobilize the community, identify development	• In 20 LGs, PDCs were not fully constituted in 277 Parishes. In addition, WDCs in KCCA were not constituted as per the guidelines whereby they did not have the Town Clerks and the Commercial Officers. • 891 PDCs in 77 LGs did not hold the 4 required **quarterly** meetings. Relatedly, WDCs in KCCA held 1 out of the expected four quarterly meetings. • Parish priorities and action plans for the FY 2022/2023 were not prepared by 1,475 PDCs in 104 LGs. Furthermore,	I advised the Accounting Officers to; • Ensure that operational challenges are addressed in time to enable timely commencement of preparatory activities. • Engage the MoFPED and the Secretariat to provide additional funding to enable the implementation of all key PDC activities. • Engage the PDM Secretariat to involve LGs in the development

	priorities, monitor resource utilization and hold quarterly meetings.	WDCs in KCCA did not prepare ward priorities and action plans for the FY 2022/2023. • 922 PDCs in 74 LGs did not prepare quarterly **performance** reports. Relatedly, in KCCA, WDCs prepared one out of 4 quarterly performance reports. • UGX. 1 million per parish was provided for administrative costs to cater for; PDM SACCO General Meetings and initial training of SACCO leaders, PDC meetings, and Monitoring and Evaluation by PDC members. However, the funds were not adequate to facilitate the following key PDC activities; ✓ Mobilise, sensitise and create awareness on PDM Programmes to the Community ✓ Participate in the identification of the needs and priorities of the Parish/ward using participatory approach ✓ Ensure preparation of Parish/ward Action Plans, budgets and reports for the PDM ✓ Oversee the selection of groups and individuals to benefit from PDM activities by the Parish Financial Agency. The Accounting Officers attributed this to; • Operational challenges that delayed the preparatory activities. • Inadequate funds to implement PDCs activities.	of PDM policies and guidelines. • Engage the HLG Core Implementation Teams to provide continuous training of PDCs on the preparation of plans and reports.

		• Unclear guidelines on identification of priorities by PDCs. • Delay in release of funds by MoFPED. • Inadequate training of PDCs on the preparation of plans and reports.	
4.	**PDM SACCO Board** The Supervisory Board checks the efficiency & effectiveness of the Cooperative internal control systems.	• 82 PDM SACCOs in 11 LGs operated without a fully constituted Board while for 580 SACCOs in 35 LGs that had fully constituted Boards which did not hold regular Board meetings. • In 39 LGs, the members of the Boards of 489 PDM SACCOs did not fill in expression of interest forms prior to being elected board members. This could lead to mismanagement of the SACCOs as there may not be appropriate oversight. The Accounting Officers attributed this to continuous changes made to the guidelines.	The HLG Core implementation Teams should strengthen monitoring and supervision of SACCO boards operations.
5.	**SACCO Committees and Sub Committees** The Production Sub-committee shall comprise of 3 farmers selected from the community who shall coordinate all farming related activities for the Parish on behalf of the PDM SACCO and that there is a Marketing subcommittee.	• 1,531 SACCOs in 107 LGs did not constitute the supervisory, executive committees as well as the Loan, Production, Marketing, Business Development services, Finance and investment sub Committees. • 1,951 SACCOs in 112 LGs had non- functional committees and sub-committees. • This could lead inadequate oversight. The Accounting Officers attributed this to;	The Accounting Officers should ensure that the boards constitute the required committees and Sub-committees.

		• Inadequate resources to fund all the required committees. • Unclear and conflicting guidelines on Implementation of PDM. • The production and marketing, Business Development services, Finance, planning and investment were inactive because efforts were put on disbursement on PRF to SACCOs which was the role of the loans committee.	

3.5.2. Review of Training Implementation Activities

I made the following observations;

SN	Nature of training	Observations	Recommendation
1.	**Training of Local Experts** The LGs, prior to implementing all the other PDM activities shall train and continue training a local team of experts which comprise of Parish Chiefs, CDOs, Commercial Officers, Extension officers and private sector actors such as representatives of Uganda Cooperative Alliance. The local experts will carry out continuous sensitization and mobilization of communities towards the PDM at the Parish level.	• 12 LGs did not carry out training of local experts while in 29 LGs, training was carried out after funds were released to the SACCOs. • In 49 LGs, the training was attended by other cadres other than Parish Chief, CDOs, Commercial Officers, and Extension officers. This may negatively affect the sustainability arrangements of the programme. The Accounting Officers attributed this to delayed release of the training program, guidelines by the PDM secretariat and lack of training facilitation.	The Accounting Officers should engage the PDM Secretariat to ensure that training program and guidelines and are issued timely.
2.	**Training of Households and Enterprise Group Leaders**	• The local experts in 29 LGs did not train households and enterprise group leaders in 806 parishes on household visioning and enterprise analysis.	The Accounting Officers should mainstream PDM activities into the LGs budget which should be funded by MoFPED.

SN	Nature of training	Observations	Recommendation
	The activities at the parish level shall include training of households and enterprise group leaders as well as hands-on support. This includes business education to the subsistence households in order to ensure a paradigm shift.	• This may lead to misuse of PRF funds by households and enterprise groups, as well as discourage the socio-economic transformation aspirations. The Accounting Officers attributed the shortcoming to inadequate PDM operational funds.	

3.5.3. Registration of PDM SACCOs and Enterprise Groups

I made the following observations;

SN	Nature of registration /Requirement	Observations	Recommendation
1.	**Licensing of PDM SACCOs Under the Microfinance Institutions Money Lenders Act** A SACCO shall not carry on the business of provision of financial services to its members unless it is a registered society and licensed under this Act or it is operating on a probationary period pending registration under the Cooperatives Societies Act or it has applied for a licence under this Act.	All the 10,586 SACCOs in 176 LGs and KCCA were not licensed to take on the business of lending under Microfinance Institutions Money Lenders Act. As a result, enforcement of recovery of PRF funds from beneficiaries by the PDM SACCOs may be legally challenged leading to loss of funds. Accounting Officers explained that the SACCOs were still under the probationary period and there is no clear guidance on licensing of PDM SACCOs by the PDM Secretariat.	The Accounting Officers should and PDM Secretariat Ensure that PDM SACCOs are registered as a requirements of Microfinance Institutions Money Lenders Act.

2.	Update of SACCO Enterprise and Household Registers The Chairperson PDM SACCO shall from time to time update the PDM Member Register and at any available General Meeting shall present the new members to the general assembly for admission into the PDM SACCO	In 40 LGs, 385 SACCOs did not have PDM member registers while, in 44 LGs, 492 SACCOs did not maintain updated PDM member registers contrary to the guidelines. Failure to update PDM member registers may result to extending PRF loans to ineligible beneficiaries leading to failure to achieve pillar objectives. Accounting Officers attributed this to the capacity gap on the part of SACCO leaders and parish chiefs as well as the lack of appreciation of the importance of the registers.	The Accounting Officers and Chairperson of PDM SACCO boards should build the capacity of the SACCO management to ensure that members registers are maintained and updated.
3.	Signing of PRF Financing Agreements A SACCO shall sign PRF Financing Agreement with the Accounting Officer. The purpose of this Agreement is to formalise the relationship between Government and the PDM SACCOs.	• UGX.54.595Bn was transferred to 545 SACCOs in 24 LGs without signed PRF financing agreements. • 941 PDM SACCOs in 40 LGs, received PRF of UGX. 72.215Bn before PRF financing agreements were signed. • PRF Agreements of 1,008 SACCOs in 45 LGs were signed before the first AGM took place. • In 338 PDM SACCOs in 13 LGs, the SACCO bank account number provided was not captured in the signed PRF Financing Agreement as guided by Budget Execution Circular for FY 2022/2023, June 2022. •	The Accounting Officers should ensure that PRF financing agreements are signed timely and comply with all the requirements as per the guideline.

3.5.4. <u>PDM SACCO Operations</u>

I made the following observations;

SN	Activity	Observations	Recommendation
1.	**General Meetings by PDM SACCOs** A PDM SACCO shall hold a General meeting to; pass bye-laws, admit new members, elect board of the PDM SACCO, Supervisory board and subcommittees and pass resolutions.	• 58 SACCOs in 12 LGs did not hold a general meeting while 1,499 SACCOs in 106 LGs held their first general meeting more than 1 month after their registration. • In 14 LGs, 119 SACCOs did not elect and inaugurate leadership vetting committees. • 248 PDM SACCOs in 22 LGs, did not approve the vetting criterion following the PDM SACCO byelaws. • 465 PDM SACCOs in 31 LGs did not have training of the PDM SACCO members during the meeting. • 338 PDM SACCOs in 26 LGs did not include the bank account opening resolution in their minutes. • 726 PDM SACCOs in 52 LGs had already received funds by the time of the first general meeting. The Accounting Officers attributed this to; • Time constraints and pressure to disburse funds to the beneficiaries. • Delay in issuance of guidance for utilization of Administrative funds which affected timely holding of AGMs. • Unclear and conflicting guidelines on Implementation of PDM. • Delay in receiving the certificate of registration from the registrar which was a requirement to hold first general meeting. • MoFPED's directive to expedite PDM bank account opening that compelled SACCO leaders to open accounts before obtaining resolutions.	MoFPED should issue clear guidance on utilization of PDM funds and reconcile conflicts in existing guidelines. The Accounting Officers should ensure that AGMs are held and resolutions documented.
2.	**Selection and Implementation of Prioritized/Flagship Projects**	• 566 parishes in 46 LGs did not select any flagship projects contrary to the guidelines.	The PDM Secretariat should harmonize the various guidance on

SN	Activity	Observations	Recommendation
	Each Parish shall select flagship projects that will benefit all interested subsistence households in a participatory manner as guided by the Commercial Officer, Community Development Officer (CDO) and relevant sector experts.	• In 78 LGs, 1,196 parishes selected flagship projects that were inconsistent with the LG selected priority commodities. • 7,968 farmer enterprise/households in 96 LGs implemented projects that were not from the priority commodity list. Failure to select and implement prioritized projects may undermine achievement of the pillar objectives. Accounting Officers attributed this to; • Contradicting guidelines on recommended flagship projects and enterprise selection from the Ministry of Local Government, Ministry of Gender and Ministry of Agriculture. • Non-consultative selection criteria for flagship projects which could not match specific enterprise conditions. • Some flagship projects were not suitable for the selected LGs and urban centers. • Delayed release of guidelines after selection of flagship projects. • Failure by the community to appreciate the principles of the PDM. • Limited options given by MAAIF yet LGs have various viable commodity projects.	flagship projects and enterprise selection. The Accounting Officers should liaise with the MAAIF to ensure that selected LGs commodities are consistent with the ecological advantages of the LGs. MAAIF should review the LG commodity list in consultation with the LGs in order to increase the selection options.
3.	**Loan Application and Approval Process** A loan applicant must be a member of a registered subsistence household on the PDMIS, be a member of a PDM Enterprise Group that is a member of the PDM SACCO.	• 5,568 beneficiaries in 775 Parishes in 50 LGs who accessed loans before 5th June 2023 were not selected through the PDMIS. • 3,616 beneficiaries in 307 Parishes in 41 LGs who accessed loans after 5th June 2023, lacked documentary evidence of being vetted by a village meeting convened by the enterprise groups. Failure to follow the stipulated loan application and approval process may	MoICT&NG should fast track the implementation of the PDMIS. The Secretariat should harmonize the various guidance on the loan application and approval processes. The Accounting Officers should

SN	Activity	Observations	Recommendation
	All beneficiaries should be members of a registered subsistence household on the Parish Development Management Information System (applies before 5th June 2023). Subsistence households applying to access PRF should be determined and selected at village level through a vetting meeting convened by the enterprise groups and attended by LC1 Chairpersons (applies after 5th June 2023).	result into ineligible beneficiaries accessing PRF. Accounting Officers attributed this to; • Inadequate PDMIS training by the MoICT&NG. • Slow implementation of the PDMIS. • Various contradicting guidelines issued from time to time. • Pressures to disburse funds to the beneficiaries. • Inadequate sensitization and training of village committees.	sensitize the village committees on the importance of documentation of decisions of village vetting meeting.
4.	**Insurance Policy for Farming Enterprises** For farming enterprises, the borrower must obtain an agriculture insurance policy under the Uganda Agriculture Insurance Scheme (UAIS).	• In a sample of 112 LGs, 45,321 PRF beneficiaries who carried out farming enterprises in 4,511 PDM SACCOs did not obtain agricultural insurance policies from UAIS. Lack of recourse in form of insurance will expose the farming enterprises to the adverse effects of climate change and may result into failure to recover the loan funds. Accounting Officers attributed this to; • Inadequate guidance on Agricultural insurance and insufficient funds disbursed to each PRF beneficiary to register with Uganda Agriculture Insurance Scheme (UAIS). • Delayed implementation of the Agricultural Farmers Insurance Scheme.	The PDM Secretariat should provide adequate guidance on the Agricultural insurance and liaise with the relevant authorities to expedite the operationalization of the Uganda Agriculture Insurance Scheme (UAIS).

PART 4: VALUE FOR MONEY, PFM ASSESSMENT AND ENGINEERING AUDITS

4.1 VALUE FOR MONEY AUDITS

I undertook and completed twenty-five (25) VFM audits during the period of reporting. The summary below presents key findings from some VFM reports.

4.1.1 MANAGEMENT OF HEALTH PROFFESSIONALS IN SPCIALISED, NATIONAL AND REGIONAL REFERRAL HOSPITALS BY MINISTRY OF HEALTH (MOH)

Effective management of human resources in Uganda's health sector is crucial for delivering quality health care services and contributing to socio-economic growth. However, challenges such as low staffing levels, absenteeism, brain drain, low salaries, and poor working conditions hinder service delivery. The Ministry of Health reported a health professional to population ratio of 1.87 per 1000 people in 2019, lower than WHO's recommended 2.5 per 1000. Government through MoH has taken steps to address the challenges in the health sector by increasing salaries for health professionals and introducing a human resource information system, but further improvements are needed.

In light of the above concerns, I undertook a value for money audit whose overall audit objective was to assess the existing Human Resource management practices/measures in facilitating the delivery of health care services by health professionals in Specialized, National and Regional Referral public health facilities in Uganda.

I noted the following:

(i) There has been an improvement in the current staffing levels of health workers in the country from 64,910 (74.3%) in 2019/20 to 69,610(77.5%) in 2021/2022 as per the (HRIS) database for FY 2021/2022. The staffing level of health professionals also grew from 36,533 to 44,145 during the same period. In the sampled health institutions, the levels of health professionals rose from 3,874 (64%) to 4,133 (82%).

(ii) There were gaps in planning, recruitment and deployment of health professionals such as delayed or non-submission of recruitment plans, wage estimates, recruitment requests, and notification of vacancies. The recruitment process also took longer than expected and deployments were not aligned to recruitment requests.

(iii) Despite significant salary increases (ranging from 62% to 191%) awarded to health professionals during the audited 4-year period, the review revealed ongoing difficulties in attracting specialists, particularly in crucial fields like General Surgery, Paediatric Haematology, Orthopaedic Surgery, Paediatrics and Child Health, ENT, Internal Medicine, Obs & Gyn, and MOSG (Internal Medicine & Public Health).

(iv) Only 1,174 personnel (sponsored by URMCHSIP) out of 1,650 planned, undertook training courses in various health programs, including certificates, diplomas, bachelor's degrees, master's, fellowships, and PHD's levels, from various institutions. In addition, only 3 out of 12 sampled facilities had a budget provision for training, 6 facilities did not have staff development plans.

(v) The 1,174 health professionals trained under the URMCHSIP project (UGX. 7,148,209,728) had not been fully redeployed to utilize their acquired skills. For instance, of the 152 beneficiaries interviewed, only 40 had been promoted or redeployed.

(vi) The iHRIS and IHMS, meant to track staff attendance, patient information, and diagnoses, were hampered by limited ICT infrastructure, hindering full functionality across visited facilities.

(vii) Gaps in performance appraisal and management procedures was observed in various facilities. This included instances of failing to sign performance agreements, formulate performance plans or improvement plans, conduct performance appraisals, and ultimately submit performance reports to MoPS as required.

(viii) Some (3) of the Rewards and Sanctions Committees were not meeting annually to determine rewards for good performance, handle cases of indiscipline, and sanction poor performance.

I advised the Accounting Officer MoH to;

(i) Collaborate with accounting officers from affected Health Institutions and engage MoFPED to grant MoPS access to the OBT budgeting system, enabling direct access to wage estimates and recruitment plans to prevent manual duplicate submission.

(ii) Collaborate with accounting officers from affected Health Institutions and engage MoFPED in enhancement of the budget provisions for wage to enable the health facilities fill the approved staff structures and meet their health service delivery plans

(iii) Engage with MoPS ensure the re-alignment of the recruitment cycle to ensure that new recruits of health workers are available at the start of the financial year in which they are budgeted for and also extend the validity period of the reserve list.

(iv) Engage with MoPS and HSC to put in place sanctions for Health Institutions that do not comply with established recruitment processes.

(v) Ensure deployments are based on deployment plans aligned to recruitment requests from health facilities.

(vi) Liaise with MoPS, HSC, and Health Institutions to carry out exit interviews and/or benchmarking to establish what motivates health specialists.

(vii) Engage Accounting Officers in Health Institutions to enhance HR officers' capacity and support Training Committees in staff development, improving efficiency and effectiveness.

(viii) Align the training of staff in the health facilities to positions that have adequate wage available to ensure trained cadres are absorbed.

(ix) Ensure that adequate mechanisms are deployed to ensure adherence and utilization of both the IHRS and IHMS by all health facilities.

(x) Liaise Accounting Officers of Health Institutions to ensure full operationalisation of Rewards and Sanctions Committees.

(xi) Develop punitive measures to ensure compliance to performance management initiatives.

CONCLUSION

The existing Human Resource management practices/measures are not sufficient to facilitate the delivery of quality healthcare services by health professionals in Specialized, National and Regional Referral public health facilities in Uganda. The audit identified several weaknesses in the recruitment process, including delays in submitting plans, non-submission of requests, failure to notify the HSC of vacant posts, difficulties in attracting and retaining specialists, absence of training plans, inability to fully absorb trained health workers under the URMCHSIP project, absenteeism, and failure of annual meetings of Rewards and Sanctions Committees. Addressing these HR challenges is crucial for improving healthcare services in these vital facilities.

4.1.2 VALUE FOR MONEY AUDIT REPORT ON THE MEASURES PUT IN PLACE BY THE DEPARTMENT OF PHARMACY AND NATURAL MEDICINES UNDER MINISTRY OF HEALTH IN PROVISION OF PHARMACEUTICAL SERVICES IN UGANDA

The Ministry of Health (MoH) through the Department of Pharmacy and Natural Medicines (DPNM) is responsible for overseeing the country's supply chain management system to ensure the optimal availability of Essential Medicines and Health Supplies (EMHS) in public and private not for profit health facilities. Therefore, the ministry is undertaking initiatives to oversee the country's supply chain management systems and ensure optimal availability of Essential Medicines and Health Supplies (EMHS) in public and private not for profit health facilities. This has been achieved through mobilization of resources by Government of Uganda and Development partners, coordinated planning and budgeting, policy review and development, coordination, monitoring and performance evaluation of the national pharmaceutical services.

However, concerns of persistent drug stock outs, ineffective structure to support planning and coordination, inadequate funding, shortage of skilled staff, weak regulatory and governance structures, and slow adoption and use of Electronic Logistics Information Systems to support supply chain processes and functions have been raised.

In light of the above concerns, I undertook a Value for Money Audit whose overall objective was to Assess the Measures put in place by the Department of Pharmacy and Natural Medicines under Ministry of Health in provision of pharmaceutical services in Uganda.

KEY AUDIT FINDINGS

Notable achievements by Ministry of Health (MoH) in overseeing the country's supply chain management system to ensure the optimal availability of Essential Medicines and Health Supplies (EMHS) in public and private not for profit health facilities have been recognized as follows;

(i) The Ministry of Health has formulated and reviewed various pharmaceutical legislations to guide the delivery of the pharmaceutical services and attain high quality care

(ii) The Ministry of Health also automated systems for ordering, tracking and reporting data on stock status indicators to inform health care decision making

(iii) In addition, District supervision structures were established on appointment of Medicines Management Supervisors at District and Health Sub-District levels (HSD) who among others are responsible for mentoring and assessing health facilities' staff performance in Supply Chain Management (SCM), ordering and reporting, financial management, and ensuring appropriate medicine use among other roles.

Despite the notable achievements, the study identified areas of improvement that need to be addressed as indicated below;

(i) Whereas MoH developed a number of key policies, regulations and guidelines for effective implementation and delivery of the pharmaceutical services, some relevant policies and guidelines were either due for review or non-existent and these related to the National Healthcare Waste Management Policy, 2020; National Healthcare Waste Management Guidelines, 2020; Pharmacovigilance Guidelines for all EMHS, 2020; Antimicrobial Stewardship Guidelines, 2020; Uganda Clinical Guidelines and EMHSLU, 2016 and Pharmacy Profession and Pharmacy Practice bill, 2006.

(ii) Shortfall in the funding for the national pharmaceutical needs by Government of Uganda and Health development partners/ donors of 22.6% (USD 457,983,363). This is due to failure by GoU to allocate funds using a needs based allocation formulae in terms of population served and health care needs.

(iii) Reporting trends for all sampled health facilities on average was 4, 7 and 10 times a year for the FY 2019/20, 20/2021 and 2021/22 respectively which is below the required annual reporting of (12 months) a year to inform evidence based supply chain and procurement planning.

(iv) Inequitable allocation of EMHS by level of health care to Health Facilities: Criterion to allocate EMHS funds is such that health facilities at the same level of care receive relatively the same budget allocation. However, there is considerable variation in the number of patients served by health facilities at the same level of care.

(v) Allocations to sampled facilities (*as detailed in appendix VIII*) were not needs based (in terms of patient flow or volume) given that MoH and NMS allocated the same budget to each health facility within the same level of care, despite the fact that there was a notable variation in the number of patients.

(vi) Inadequate Support supervision and Technical Oversight by MOH as out of the sampled thirty-seven (37) health facilities, twenty-seven (27) Representing 73% of these facilities had never interfaced with staff from the department of pharmacy regarding quality assurance and technical support activities to promote appropriate medicines use.

(vii) None of the seventeen (17) sampled lower level facilities had established MTCs to ensure safe, effective and efficient management and use of medicines and health supplies in the health facilities.

(viii) Inappropriate utilization of EMHS at various sampled visited health facilities both at lower and higher level facilities. Cases of poor dispensing and prescribing practices such as un-updated stock cards and dispensing logs, un-documented prescriptions coupled with poor disaggregation of dispensing, prescribing and store management roles were noted.

(ix) Narrow staffing structure to provide for key pharmaceutical staff majorly at lower level facilities (HCIIs and HCIIIs) where pharmaceutical roles are performed as "task shifted" or delegated to non-pharmaceutical cadres;

(x) Delays to deliver EMHS majorly in HC IV's, HC III's and HC II's where on average the delays ranged from 22 to 30 days over the three years compared to RRHs and GHs where on average the delays were 10 and 16 days respectively;

(xi) Lack of requisite M&E arrangements under the department of pharmacy such as lack of an established structure for the M&E unit, M&E framework and M&E plan to guide monitoring of the pharmaceutical services strategic plan interventions by all stakeholders in the sector.

(xii) Non-functional monitoring and supervision structures at regional, district and sub district levels for effective provision of pharmaceutical services to the citizenry.

In order to address the identified gaps, I advised the Accounting Officer of the Ministry of Health to;

1. Prioritize policy formulation/ development activities such as identification of policy needs in its work plans and budgets to stimulate funds allocation by Government so as to facilitate timely policy review and development to match the ever changing environment so as to attain the highest standards of health for the citizenry;

2. Prioritize wide dissemination of policies, laws and regulations to all players in the sector including PFP and PNFPs for implementation to facilitate achievement of the national policy objectives;

3. Build the capacity of personnel in the use of the electronic information systems such as DHIS2 to facilitate quality data collection, cleaning, analysis and reporting on the core stock status indicators to inform evidence based decision making;

4. Enhance supervision and technical oversight to guide needs estimation and supply chain planning at facility level, advise personnel on mechanisms to validate data during reporting to minimize/ eliminate entry data errors so as to inform evidence based quantification and supply chain planning;

5. Undertake an evidence based study in collaboration with other stakeholders to develop an alternative resource allocation formula that provides for demand-related indicators such as population served as well as equity indicators in resource allocations bearing in mind that the demand driven formulae can be meaningful if the available budget is sufficient to meet the demand;

6. Engage MOFPED in collaboration with NMS for any possible options such as frontloading of funds for the first quarter (July-October) of the preceding financial year to facilitate timely procurement, storage and distribution of EMHS to all health facilities in the country so as to minimize stock outs and meet the health care needs of the population;

7. Prioritize M&E activities in the DP&NM such as M&E structure (human resource) to strengthen its M&E unit, training of M&E personnel, developing an M&E plan and framework to facilitate designing and operationalizing a robust M&E system for routine data collection, analysis, reporting as well as establishing the means of quality control and sharing of information across all stakeholders in the pharmaceutical sector to inform evidence based decision making.

CONCLUSION

Although the Government of Uganda through Ministry of Health and other stakeholders have undertaken a number of interventions in the pharmaceutical sub sector such as recruitment and registration of pharmaceutical cadres, development, review and enforcement of relevant legislations, laws, policies and guidelines, automation of the medicines management systems, and increased pharmaceutical financing towards supply of EMHS, a number of weaknesses still exist within the supply chain management system which have resulted into inappropriate medicines use and persistent drug stock outs.

These challenges can be significantly reduced if the weaknesses noted by the Audit are addressed.

4.1.3 VALUE FOR MONEY AUDIT ON EFFECTIVENESS OF MEASURES TO SUPPORT COOPERATIVES BY THE DEPARTMENT OF COOPERATIVES DEVELOPMENT IN THE MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES (MTIC)

In Uganda, Cooperatives provide a viable organizational framework for socio-economic development. They contribute significantly to the poverty eradication, employment creation, enhanced production, value addition, and improved market access. The Department of Cooperative Development ("the Department) under the Ministry of Trade, Industry and Cooperatives (MTIC or "the Ministry") is responsible for providing and administering the services required by cooperative societies for their formation, organization, registration, operation and advancement.

I undertook an audit to assess the effectiveness of the measures set up by the Department of Cooperatives Development under MTIC to support cooperatives to achieve their objectives.

By conducting the registration of 20,876 new cooperatives from 2019/20 to 2021/22, the Department played a key role in the implementation of government programs such as the EMYOOGA component of the Presidential Initiative on Wealth and Job Creation in the financial year (FY) 2020/21 and the Parish Development Model in FY 2021/22.

However, I noted that:

(i) Over the financial years 2019/20 to 2021/22, the department reported a total of 3,630 (81%) supervisions conducted out of 4,500 planned. However, there were no supervision reports prepared by the cooperative officers to indicate the findings from the supervision exercise and the recommendations made to the leadership of these ten cooperatives.

(ii) The department is yet to provide a platform where the challenges identified during supervision can be raised with other relevant Ministries Departments and Agencies (MDAs) like Ministry of Agriculture, Animal Industry and Fisheries, Microfinance Support Centre, among others.

(iii) Only 10% of the funds released for training of cooperatives was actually spent for cooperative education and training activities over the financial years 2019/20, 2020/21 and 2021/22 while the other 90% was diverted to other activities unrelated to cooperative education.

The Department has not sensitized cooperatives on government programmes and interventions, that are available for setting up investment projects within their respective sectors and which could further improve their performance and foster their growth into sustainable and competitive businesses.

(i) There is low participation of registered members of cooperatives in terms of mobilising savings due to a disruptive mind set amongst members who believed cooperatives to be solely a means of making financial gains and personal enrichment. Without cooperative member education by the Department, there is a failure to understand Member Economic Participation as one of the key principles of cooperating whereby members contribute equitably to the capital of their cooperative.

(ii) There were inaccuracies noted in the database of cooperatives maintained by the Department. The department does not have a clear track of cooperatives that have closed down and the challenges they faced leading up to their closure, which would have informed the department of the needs for cooperative training and education.

(iii) The Department also has no mechanism in place to utilise the financial information submitted to it by the cooperatives to monitor the performance of the cooperatives or to inform decision making and policy formulation.

I advised the Accounting Officer of MTIC to:

(i) Provide a platform where the challenges identified during supervision can be raised with the other relevant MDAs like Ministry of Agriculture, Animal Industry and Fisheries, Microfinance Support Centre, among others, in order to provide solutions at a strategic level to recurring problems faced by cooperatives in Uganda.

(ii) Build capacity for cooperative officers to enable them to assess how well the cooperatives are achieving the pre-determined objectives which define their existence as well as conducting financial analysis in cooperatives in order to come up with relevant recommendations for how cooperatives can improve their financial performance.

(iii) Develop and implement a comprehensive training framework or program through consultation with key stakeholders in the sector. This will enable MTIC identify key challenges facing cooperatives and address them through their training activities.

(iv) Liaise with MoFPED, MSC, OWC, NAADS, MAAIF and other keys stakeholders in the service delivery value chain to ensure that holistic guidance is given to the cooperatives on the available government interventions, projects and programmes that could benefit the cooperatives through their training activities.

(v) Ensure that a data clean up exercise is carried out to ensure that all the data within the system is accurate and representative of the actual situation in the country.

CONCLUSION

Over the financial years 2019/20, 2020/21 and 2021/22, the Department of Cooperatives Development in the MTIC made efforts to support cooperatives through supervision and, cooperative education and training. However, the effectiveness of this support to enable cooperatives achieve their objectives was derailed mainly by system and capacity gaps in undertaking supervision of cooperatives, lack of strategic coordination of institutional stakeholders and weaknesses in the management of cooperatives data. It is anticipated that if the ministry takes steps to address the identified gaps and weaknesses, there will be significant improvements in the performance of Cooperatives in Uganda.

4.1.4 VALUE FOR MONEY AUDIT ON PROVISION OF PREVENTIVE, CURATIVE AND PALLIATIVE CARDIOVASCULAR SERVICES BY THE UGANDA HEART INSTITUTE

The Government of Uganda, through the Uganda Heart Institute Act of 2016, established the Uganda Heart Institute (UHI) which is an autonomous body that was established and charged with the responsibility of coordinating the prevention and treatment of cardiovascular diseases in Uganda.

The Heart Institute has strived to achieve its mandate as it carries out its functions to ensure that the burden of cardiovascular disease in Uganda is reduced. However, there exists concerns such as; inadequate infrastructure, shortage of drugs, inadequate research capacity, persistent referrals of patients abroad.

I therefore conducted a Value for Money Audit to assess the extent to which UHI provided preventive, curative and palliative services for cardiovascular diseases in Uganda.

KEY AUDIT FINDINGS

Over the five-year period 2017/18 – 2021/2022, UHI provided services to 84,647 outpatients, carried out 611,611 diagnostic tests/services, admitted 3,565 and 6,284 patients in ICU/CCU and general wards respectively, carried out 373 and 353 open heart and close heart/thoracic surgeries respectively, and conducted 1,601 cardiac catheterisation procedures.

I noted the following:

(i) The Uganda Heart Institute had not developed a National Cardiovascular Disease control plan/strategy to guide promotion and prevention of CVDs in the country.

(ii) Over the period of four years 2018/19 – 2021/2022, UHI planned to implement 53 support supervisions to RRHs, 20 community outreaches, 72 awareness campaigns, 26 health camps, however, the institute conducted 35 support supervisions to RRHs, 7 community outreaches, 71 awareness campaigns and 21 health camps.

(iii) Out of a total of 6,937 health facilities in the county, the Institute’s outreach activities covered only 1 National Referral hospital, 2 specialised Hospitals, 15 Regional Referral Hospitals and 5 private hospitals, and one (1) community outreach. It was noted that Health centre IVs, and IIIs, institutional outreaches, community sensitisations from districts to parishes/villages, partnerships with schools and training institutions were not covered.

(iv) Four hundred fifty-one (451) paediatric patients had been on the waiting list for heart surgeries since 2017. Out of these, 75% had been on the waiting list for at least 3 years (36 months) which is over and above the baseline waiting time of 6 months.

(v) Analysis of a sample of outpatient prescriptions for the months of December 2021 and January 2022 revealed that one hundred forty-three (143) patients did not access some specialized drugs either because of drugs' stock outs or because they could not afford the paid-for medicines.

(vi) The Institute did not have a structure for the provision of palliative care services to patients who needed the services. The services were integrated into normal operations with 14 trained staff (2 consultant doctors and 12 nurses) distributed across the Institute to provide palliative care in addition to their other designated responsibilities.

(vii) UHI did not have social workers employed to support the nurses' palliative services such as counselling, development of wills, promotion of emotional and mental health, social and practical support, spiritual care. The Institute also lacked counselling rooms to provide privacy for patients who need palliative care services, special equipment for palliative services such as special palliation wheel chairs and special adjustable couches, which are essential for the provision of palliative services to patients.

(viii) The Institute published 57 research papers over the period 2018/19 – 2021/22, however, it conducted only 2 dissemination activities to stakeholders.

I advised the Accounting Officer to:

(i) Put in place a system that enables continuous collection of cardiovascular diseases related data in all health facilities in the country, and first track the development of a functional framework for planning, coordination and cooperation, and execution of cardiovascular surveys and disease incidence assessments.

(ii) Ensure optimal distribution of institute resources for the provision of preventive, curative, palliative, research and support services in order to meet its main function of undertaking and coordinating the management of cardiovascular disease in Uganda.

(iii) Expedite the development of a cardiovascular disease control plan/strategy to guide the management of cardiovascular diseases in the entire country and provide strategies to develop and promote educational programmes on the management and prevention of cardiovascular diseases in the entire country as required by the UHI Act 2016.

(iv) Continue to engage MoFPED and other responsible government agencies in order to ensure that the new approved structure is operationalized, first track the construction and equipment of the new 250 bed hospital and ensure continued support for cardiac procedures is provided for in government appropriation.

(v) In addition to improvements that the institute has commenced in the management of medicines and other health supplies.

a) Expedite the process of installation of the pharmacy system with clear controls of storage, distribution and dispensing of medicines from stores to the patients,

b) Effectively engage National Medical Stores (NMS), Ministry of Finance Planning and Economic Development (MOFPED), Parliament and other agencies to ensure that availability of medicines and other health supplies are prioritized.

Operationalize, empower and build the capacity of the research coordination officers (unit) in the new structure to ensure effective planning, coordination and execution of research activities at the institute.

CONCLUSION

Over the financial years 2017/18 – 2021/22, the Uganda Heart Institute (UHI) has made strides in the provision of preventive, curative and palliative cardiovascular services since it was established in 2016. The institute hired and trained super specialised health workers to provide cardiovascular services, purchased specialised equipment and obtained approval for a new staffing structure aligned to its mandate. The institute uses the resources to provide cardiovascular services using the Outpatients departments, providing inpatient services, providing diagnostic services, critical care, surgeries and catheterisation procedures.

However, in spite of these achievements audit established some areas for improvement which still need to be addressed in order to improve the level of services provided by UHI for cardiovascular disease as: conducting annual National cardiovascular risk awareness surveys, disease incidence and prevalence assessments, development of a strategy specific to cardiovascular disease control to guide the management of cardiovascular diseases in the entire country, ensuring the new UHI 250 bed Heart Hospital is quickly constructed to address the inadequate operational space; training more staff to address the staff shortage as per the HR structure, expediting the process of installation of the pharmacy system with clear controls of procurement, storage, distribution and dispensing of medicines from stores to the patients and building the capacity of the research co-ordination officers(unit) in the new structure to ensure effective planning, co-ordination and execution of research activities at the institute.

4.1.5 VALUE FOR MONEY AUDIT ON THE PROVISION OF FERRY SERVICES BY MINISTRY OF WORKS AND TRANSPORT, UGANDA NATIONAL ROADS AUTHORITY AND UGANDA RAILWAYS CORPORATION

Uganda's Vision 2040 emphasizes the importance of the transport sector- particularly inland water transport, in fostering socio-economic development. The Ministry of Works and Transport (MoWT), Uganda Railways Corporation (URC), and the Uganda National Roads Authority (UNRA) are responsible for shaping Uganda's transport landscape. Water transport is a lifeline for many, connecting islands in lakes and bridging shores separated by rivers and lakes.

However, concerns about limited connectivity, ferry breakdowns, and makeshift boat use persist, with up to 5,000 deaths occurring annually on Lake Victoria alone, due to boat accidents.

In light of the above concerns, I undertook a Value for Money Audit whose overall objective was to evaluate government's efforts in the provision of ferry services in Uganda.

I noted the following positives:

(i) There was an increase in the number of ferries operated by MoWT, UNRA, and URC from 14 in 2018/19 to 17 in 2023/22. Ferry capacity rose from 1,702 passengers in FY 2018/19 to 2,112 passengers in FY 2021/22, and the cargo capacity from 2,830 tonnes in FY 2018/19 to 4,390 tonnes in FY 2021/22. Of the 17 ferries, UNRA and MoWT run 15 ferries on inland water crossings in Uganda, while URC operates two ferries on Lake Victoria, linking Port Bell and Jinja Port (Uganda) with the ports of Kisumu (Kenya) and Mwanza (Tanzania).

(ii) UNRA is currently undertaking the construction of 12 ferries which, when completed, are expected to increase the passenger and cargo carrying capacity by at least 1,570 passengers and 990 tonnes, and reach some of the currently unserved areas.

However, I also noted that:

(i) Although the number of ferries has been increasing in terms of passenger and cargo capacity, the current ferry services in Uganda still fall short of demand, and some of the populace is still not reached by the existing ferry routes, limiting their ability to safely access important services.

(ii) Ferry support infrastructure was also inadequate. No single ferry had in place all the minimum requisite infrastructure to support provision of ferry services as at the time of audit. Specifically, no ferries had docking sites that incorporated high and low water levels.

(iii) For the period under review, MoWT, UNRA and URC had not come up with comprehensive, countrywide plans for the provision of ferry services in Uganda. This led to gaps in demand projection and needs assessment, unclear basis for establishment/ prioritisation of ferry routes, failure to establish appropriate ferry support infrastructure, and gaps in ferry designs.

(iv) UNRA and MoWT failed to meet their passenger transportation targets. Only 14.1 million out of the planned 27.5 million passengers were transported by their ferries in the period under review owing to ferry downtime arising from submersion of landing sites due to rising water levels, breakdown of ferries and Covid-19 restrictions.

(v) The average cost of transporting each passenger for one kilometre on UNRA-operated ferries ranged from UGX. 324 – UGX. 1,629, compared to UGX. 2,080 – UGX. 4,041 on the government funded but privately operated ferries supervised by Ministry of Works and Transport. For KIS-operated ferries, a contract signed with the government of Uganda requires them to undertake a fixed number of trips per day (at least 16), regardless of the passenger traffic, resulting in inefficiencies.

(vi) I also noted that in some instances, ferries operated without seaworthiness certificates, insurance, adequately qualified staff, rescue boats, or accessibility for persons with disabilities. These safety and accessibility gaps could result in exclusion of PWDs, loss of lives and/or financial loss to government in case of accidents.

(vii) There were instances of delayed servicing of engines of UNRA vessels including MV Sigulu, Masindi Port ferry, Laropi ferry, and Kyoga II ferry. In addition, some engines had non-functional running metres e.g., Laropi ferry, MV Obongi, Kyoga I ferry, Nakiwogo ferry, and Masindi Port ferry where servicing was approximated. This made it difficult to accurately track the engine running hours.

(viii) UNRA did not have a standardised system for documenting and reporting on supervision and monitoring undertaken, making it difficult to track and analyse performance.

(ix) There was no coordination framework in place to ensure that the different implementing agencies i.e., MoWT, UNRA and URC were aligned in their planning, budgeting, and implementation of ferry-related activities. This results in haphazard planning and implementation of activities, which may result in inefficiencies.

I advised the Accounting Officer MoWT, UNRA and URC to;

1. Undertake long-term, comprehensive countrywide planning (including needs assessment, demand projection, cost implication) to inform prioritization and optimization of ferry service provision.

2. Regularly assess and compare efficiency of ferries across Uganda to identify opportunities for improvement or optimization

3. Put in place adequate ferry support infrastructure at all landing sites to ensure smooth, efficient and dignified ferry service provision.

4. Integrate climate-resilience measures during design and construction of ferry landing sites in order to prevent disruption of services due to fluctuating water levels.

5. MoWT should re-negotiate terms with private ferry operators in order to obtain more favourable rates for passenger transportation per kilometre.

6. Regularly maintain and repair ferries and landing sites and develop contingency plans to reduce the number of breakdowns and mitigate the effects of unexpected events, such as the Covid-19 pandemic.

7. Work with the Ministry of Education and Sports to establish training institutes for Marine Vessel Operators in Uganda.

8. Ensure timely inspection of ferries, renewal of Seaworthiness Certificates and insurance cover in order to guarantee passenger safety.

9. Provide options to ease access for persons with disabilities to ferries.

10. Standardise and enforce documentation of findings and agreed action points from supervision and monitoring visits to ferries and ferry landing sites.

11. Develop a coordination framework to indicate the roles, responsibilities and expected outputs of each player in provision of ferry services in Uganda.

CONCLUSION

Government has made impressive progress in efforts to provide ferry services to Ugandans through the Ministry of Works and Transport (MoWT), Uganda National Roads Authority (UNRA), and Uganda Railways Corporation (URC).

However, loopholes persist that have an impact on the efficiency, safety, and accessibility of ferry services. The current ferry capacity is insufficient to fulfil demand, leaving certain locations underserved. Inadequate ferry support infrastructure exacerbates these issues, restricting public access to key services. The MoWT, UNRA, and URC lack comprehensive nationwide plans for ferry services and as a result, there are gaps in demand projection, route prioritisation, and ferry support infrastructure.

UNRA and MoWT failed to achieve passenger transport targets due to disruptions like rising water levels, ferry breakdowns, and Covid-19 restrictions. Absence of effective contingency plans left passengers stranded. Cost efficiency was observed in ferries covering longer distances or carrying more passengers, with inherent inefficiencies noted in the contract between government and KIS. Staffing shortages and inadequate training affect ferry operations, leading to burnout and safety concerns. Safety and accessibility gaps were identified in ferry operations, risking accidents, financial losses, and exclusion of persons with disabilities.

Issues such as delayed servicing, inadequate maintenance, and subpar equipment care endanger ferry equipment integrity and passenger safety. UNRA's lack of standardized monitoring and supervision reporting impedes performance analysis. Moreover, the absence of a coordination framework among implementing agencies (MoWT, UNRA, URC) results in disjointed planning and implementation, which may result in inefficiencies. Addressing these concerns is paramount to ensuring reliable, safe, and inclusive ferry services in Uganda, and it is hoped that implementation of the audit recommendations will contribute to this.

4.1.6 FOLLOW-UP REPORT ON THE STATUS OF IMPLEMENTATION OF AUDIT RECOMMENDATIONS OF THE VALUE FOR MONEY AUDIT ON THE UGANDA REPRODUCTIVE MATERNAL AND CHILD HEALTH SERVICES IMPROVEMENT PROJECT [URMCHIP] BY THE MINISTRY OF HEALTH

In December 2021, the Office of the Auditor General issued a report on the Implementation of the Uganda Reproductive Maternal Child Health Services and Improvement Project by the Ministry of Health (URMCHSIP) and submitted the report to Parliament. Key issues noted and recommendations made in the said report related to the performance of the Results Based Financing (RBF) Program, the Scholarship program, delays in procurement of medicines, procurement of medical equipment and construction of maternity units, birth and death notifications at health facilities, among others.

The Financing Agreement between the Government of Uganda and World Bank required undertaking two Value for Money Audits over the project lifetime. Accordingly, the Auditor General conducted a Follow-up to examine the corrective actions taken by the Ministry of Health to adequately address the recommendations, remedy the underlying problems that were identified during the previous audit, and report any new developments to project closure on 30th September 2023. An impact study will be undertaken in the coming year to assess impact of the project.

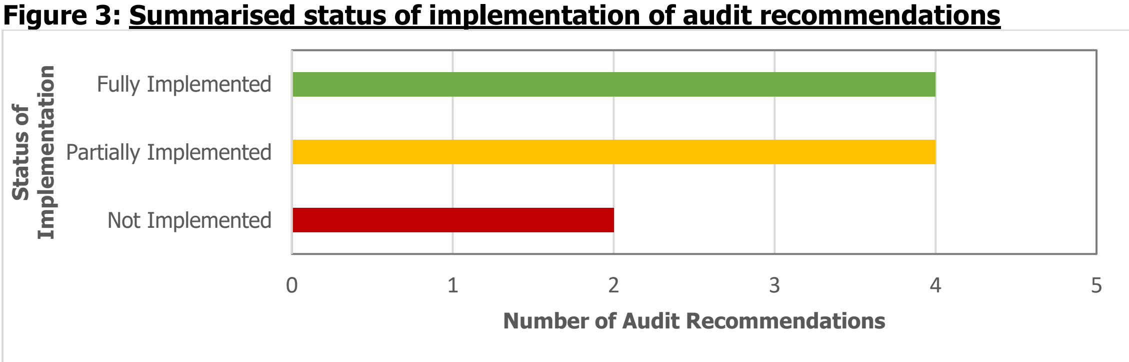
The audit covered an assessment of MoH management's remedial actions on the recommendations of the interim audit for the three financial years starting 2017/18 when the project became effective to 2019/20 The follow-up hence evaluated progress made in implementing audit recommendations from 2021 to-date.

It was noted that the MoH had made efforts to implement the Auditor General's recommendations, resulting into improvements in the performance of the project. Out of the 10 key audit recommendations made in the Auditor General's report of 2021,

- 4 (40%) were fully implemented;
- 4 (40%) were partially implemented and;
- 2 (20%) of the recommendations were not implemented at all.

A summary of the status is presented in the Figure below.

Figure 3: <u>Summarised status of implementation of audit recommendations</u>



Source: OAG verification of MoH responses

I noted a number of achievements and areas of improvement as follows:

1. There is significant improvement in Maternal and child health indicators such as: mothers delivering under skilled care at a health facility, pregnant mothers seeking antenatal care, uptake of post-natal family planning, immunization of children under age 5, and the registration of births and deaths by NIRA. However, between January 2022 – June 2023 (1 ½) years, no interventions were made thereby impairing any progress earlier registered on the indicators above. With exhaustion of the Result-Based Financing (RBF) funding component, sustainability of the attained success has remained a challenge within the implementing districts.

2. The Ministry finalised the development and roll out of the digitalised invoicing system for RBF in January 2022 to ease the process of verifying Health facility outputs and RBF invoices.

3. The Ministry signed contracts for renovation and construction of 81 maternity units on 15th March 2021. By 30th September 2023, 98% of the overall scheduled works had been completed in 67 of the 81 maternity units. For the remaining 14 sites audit noted that 8 in West Nile and 6 in Northern Uganda were at 65% and while 55% respectively.

4. The MoH through URMCHIP has improved the availability of medical Equipment in health facilities through the supply, delivery and installation of a variety of equipment and medical furniture to over 630 health facilities across the country. The equipment delivered included an assortment of patient beds; operation beds, lights and accessories; autoclaves, blood fridges, anaesthesia machines, incubators, ultrasound machines, generators, solar equipment. It is anticipated that these shall generally improve maternal and child health service delivery in Uganda. Although some of the equipment in some Health facilities is idle and non-functional.

5. Whereas Ministry of Health followed up with MoFPED and Ministry of Public Service and had a successful restructuring of the sector which included positions for the Reproductive Maternal Neonatal Child and Adolescent Health (RMNCAH) cadres trained under URMCHIP, the trained health workers have not been absorbed due to budget shortfalls.

4.1.7 VALUE FOR MONEY AUDIT REPORT ON THE IMPLEMENTATION OF THE TAXPAYER REGISTER EXPANSION PROGRAMME (TREP) FOR ENHANCEMENT OF REVENUE COLLECTIONS BY UGANDA REVENUE AUTHORITY (URA) AND OTHER COLLABORATING AGENCIES

Uganda's Domestic Revenue Mobilization Strategy (DRMS) which aims to strike a balance between growing the economy and raising more resources, identifies key policy priorities and actions which focus on addressing non-compliance and addressing Tax Policy and design deficiencies. Among the priorities is supporting compliance and enhancement of revenues through sharper focus on registration, improved taxpayer services and education which can be achieved by making it easier for Ugandans who are currently outside the tax system, to become registered and active taxpayers. The other priority of the strategy is making it more difficult for those who can afford to pay but are unwilling yet enjoying social services paid for by others. The strategy aims to expand the tax base by gradually formalising the large informal sector, and improving efficiency in revenue collection and compliance.

In a bid to identify and expand the taxpayer base and collect taxes from small businesses, Uganda Revenue Authority (URA), Uganda Registration Services Bureau (URSB), Ministry of Local Government (MoLG) and Kampala Capital City Authority (KCCA) came together under a framework known as Taxpayer Register Expansion Programme (TREP) which commenced in the Financial Year 2015/16. The TREP collaborative framework is intended to increase accessibility to business registration and licensing services that, in effect formalize businesses, thereby boosting their access to opportunities such as tenders and financing, enabling business expansion and increased employment, improved participation and competiveness in the regional market, as well as increased revenue mobilization for financing Government programmes. I found this to be important because it focuses on expanding the taxpayer register, thereby creating an avenue for increasing Government revenue for improved social services.

Accordingly, I undertook a Value for Money audit on the Implementation of TREP by URA and its other partnering agencies. The following key findings and recommendations were made;

Key Findings

It was observed that the Tax Register Expansion Program has registered notable accomplishments in increasing taxpayer registrations especially in the informal sector, increasing revenue and automation of revenue collection in some Local Governments. However, the following key areas of improvement were identified during the Value for Money audit of the Program implementation;

- Despite commencement of the program in 2015, by 2022 some entities such as URSB had not fully implemented the information systems that were expected to effectively support the functions geared towards expansion of the Taxpayer Register. Delayed implementation of systems hinders system integration for data sharing.

- Majority of Local Governments were still operating manual systems for revenue collection. Out of 34 Urban Municipal Councils where TREP was expected to be rolled out by the FY 2015/16, by the time of concluding this report in November 2023, only 26 had functioning information systems implying that 8 had no information systems at all. For District Local Governments, I noted that out of 134 District Local Governments, only 86 had information systems, implying that 48 District Local Governments were operating manually. Manual data collection methods hinder the process of data sharing across the entities.

- Two separate systems by different vendors, were being implemented across the Local Governments. The two systems were; *e-LogRev* which is owned and managed by the Ministry of Local Government, and the IRAS which is owned and managed by the Local Government Finance Commission. These were serving the same purpose but incurring significant costs. The cost of Rolling out E-LogRev per site is UGX.250Mn, while that of rolling out IRAS at a site is UGX.269Mn. Operating two identical systems leads to wastage of resources in form of development, support and maintenance.

- Information systems across partner entities were not adequately interfaced to share data. This implies that entities within the collaboration will have information on clients that cannot be accessed by other entities within the collaboration, which limitation may lead to duplicated registrations.

- The partner entities had unclean data in their systems which was found unreliable and therefore hampered information sharing across the entities.

- The implementing agencies lacked a unique identifier that would enable identification of a single client across each of the register. This makes the process of data analysis difficult.

- For some of the implementing agencies, there was no systematic flow of how the data shared among the entities was to be used. Also noted was that no reports were prepared in regard to actions taken on the shared data. This affected the extent to which value was generated from the shared data.

- Entities were working in silos, such as carrying out single entity operations rather than joint field operations. This defeats the goal of setting out this collaboration.

- The Steering Committee which comprises the Accounting Officers of the partnering entities had not sat over the seven years of implementation of the project, despite the requirement to meet at least twice a year. This hinders the extent to which necessary interventions can be handled by Top Management.

- Some agencies were not represented in some One-stop shops, that were established in some parts of the country. For example, URA and URSB were not present in One Stop Shops of Koboko, Kumi and Kapchorwa. This implies that all services were not being availed to the customers in one centre, as envisaged in the TREP framework.

- There was no clear follow up on the extent to which challenges faced during the previous years, were attended to by the Program Management. This defeats the reasons for carrying out monitoring and evaluation (M&E).

- Significant variances were noted between the cumulative numbers of taxpayers reported in the M&E reports and the numbers on the client registers. This implies that the reported statistics may not be accurate and therefore not reliable.

Key Recommendations

The following recommendations have been made to address the gaps identified;

- URSB should expedite the process of ensuring that its system (OBRS) can interface adequately with all other systems and that all necessary information is adequately shared.

- The Ministry of Local Government should liaise with the Local Government Finance Commission, to agree on a single system that should be rolled out to Local Governments to reduce operational costs of automating Local Governments.

- The TREP collaborating agencies should commence efforts to streamline the legal processes that hinder usage of one or two unique identifiers.

- All partner entities should put in a place systematic processes on how to make use of the shared data. The reports on action taken in regard to shared data should be compiled and discussed at Top Management of each of the entities.

- The Steering Committee of the Program should meet regularly so as to track implementation of the project and also pay attention, to solving identified program bottlenecks.

- Field staff of the partnering institutions should harmonize their annual work plans, so as to enable them carryout joint field operations.

- The Steering Committee and Program Owners should pick interest in project bottlenecks that are re-occurring and find means to solve them at the strategic level.

- The Program Management needs to improvise a transparent and systematic way of reporting the program statistics on revenue performance and registration. The process should involve attachment of registers for every reporting period and a verification mechanism such as a verification team to verify the figures. This will ensure that all program plans and interventions are based on realistic data.

OVERALL AUDIT CONCLUSION

Whereas there are notable achievements attributed to the program, the program still faces significant bottlenecks that have hampered efficient achievement of the program objectives. The program commenced in the Financial Year 2015/16 and was projected to run for two years and be completed by FY 2016/17. However, by FY 2021/22 some key program objectives had not been met. Information systems have not been fully implemented across all necessary entities and information interface is inadequate.

There is need for the Program Steering Committee and the Program owners to get more involved in the program as this will be key to solving several bottlenecks that are hampering the progress of the program.

4.1.8 VALUE FOR MONEY AUDIT REPORT ON THE MANAGEMENT OF TAX INCENTIVES AND EXPENDITURE IN UGANDA BY THE MINISTRY OF FINANCE PLANNING AND ECONOMIC DEVELOPMENT

The Government of Uganda offers a number of investment incentives including tax holidays, exemptions, waivers for tax payments and paying and refunding of various taxes as stipulated in various tax laws, agreements and memoranda of understanding with the beneficiary entities. This is done in order to enable implementation of the National Development Plan III (NDP III) financing strategy that provides for revenue mobilization plans to address tax policy and design deficiencies including reviewing the presumptive taxes; individual tax incentives and; changing the tax regime to attract more investors in manufacturing. It is also done to provide a tax policy that incentivizes formalization and supports Medium and Small Enterprises, through the Ministry of Finance, Planning and Economic Development (MoFPED) to increase investment and production in key strategic industries or sectors. The benefits are granted based on intended objectives that include promotion of economic growth, increasing employment and facilitation for extension of social services among others.

I undertook a Value for Money study on the effectiveness of tax incentives and expenditure in Uganda, in respect to expected outcomes such as investment in fixed assets, sales revenues and employment. The following key findings and recommendations were made;

Key Findings

Although the Investment Incentives and Tax expenditures under the Ministry of Finance, Planning and Economic Development have been recognized for notable accomplishments in creating employment opportunities and improving trade deficit through export promotion and import substitution, the following key areas of improvement were identified;

a) Investments and Provision of Employment opportunities

Although the tax incentives and exemptions are expected to free up the capital, so as to enable these companies employ more staff, a total of 22 companies out of the 36 that had obtained the incentives, were performing below the 50% threshold and thus had not fully achieved the desired employment levels.

b) Cost of tax waivers to Government

I noted that over the period under review, taxes waived by government amounted to UGX.1.417Tn. These comprised of UGX.1.293Tn waived under the Gazette by Parliament, direct waivers by the Minister of UGX.118.5Bn as well as tax exemptions as per the Income Tax Act under Section 21 granted by the Commissioner General of UGX.5.576Bn. I however noted that there was no evidence that the other written-off taxes outside the Gazette, were communicated to Parliament for retrospective authorization. The amount of taxes exempted are revenues that are foregone resulting into revenue loss on the side of Government.

c) Tax Commitments

The Ministry of Finance, Planning and Economic Development committed to pay taxes totaling to UGX.553Bn on behalf of several taxpayers for the period under study. The commitments were not paid in time and have led to accumulation of domestic arrears.

d) Lack of a framework for the management and monitoring of Tax Incentives and Expenditures

At the time of audit, MoFPED did not have an approved Framework to guide the management and monitoring of the different Tax Incentives and Expenditures.

e) Utilization of Tax Incentives and Exemptions

An analysis of the Memoranda of Understanding (MoUs) for the various beneficiaries of Investment incentives and Tax exemptions revealed that several companies have not achieved the outputs as stipulated in the signed MOUs and several incentives remained un-utilized, such as the Corporation Income Tax holidays for some companies.

GENERAL RECOMMENDATIONS

The following general recommendations have been proposed;

a) Following up Companies to ensure that commitments are realized

The Ministry should follow up the beneficiaries of the incentives to ensure that the benefits of the incentives such as job creation are realized.

b) Regularly assessing Benefits relating to Tax incentives

The benefits of the Tax incentives should continuously and realistically be measured to ensure that the intended benefits are realized, and to guide future decision making.

c) Limiting the number of Tax Exemptions to businesses that qualify under the Tax Laws

The Ministry of Finance, Planning and Economic Development was advised to establish a criteria for approval of beneficiaries of tax incentives and expenditures. This will eliminate ambiguity in regard to eligibility and the assessment of the expected benefits, while assessing the performance of each beneficiary. Besides, the Taxpayers that seek exemptions due to inability to pay, should have proven beyond doubt that they are financially incapacitated. This will also limit the accumulation of domestic arrears.

d) Development and approval of a monitoring framework for Tax Incentives

The Ministry of Finance, Planning and Economic Development should fast track the compilation and approval of the framework for monitoring of tax incentives granted to companies, to enable an objective assessment of the levels of compliance of the beneficiary firms, with the terms in the signed MOUs.

OVERALL CONCLUSION

The intension of Government in granting Tax Incentives and Exemptions is premised on attracting investments to boost business and to encourage industrialization and ultimately economic growth and development. However, several challenges that hinder the achievement of performance targets by the beneficiary companies are still observed. These challenges include (i) high cost of electricity coupled with unstable supply, especially during peak hours that limit production hours and; (ii) competition from imported industrial inputs that are locally available such as pre-painted sheets and galvanized coils.

The amount of revenue foregone by Government in granting these incentives and money spent in paying taxes on behalf of the exempt taxpayers, may not easily be compared to the low benefits derived due to the other factors hindering performance of these beneficiary companies. Therefore, Government should explore the option of putting more effort in alternative measures that make it conducive to undertake business, such as subsidized electricity, easy access to land, ensuring affordable and reliable supply of raw materials among other things that have the potential to attract business and industrialization without having an enormous cost related to individual businesses. The Ministry should effectively monitor the beneficiaries of tax incentives with a view to ensuring that they deliver the desired targets in the signed Memoranda of Understanding.

4.1.9 VALUE FOR MONEY AUDIT ON INSPECTION OF SCHOOLS BY THE DIRECTORATE OF EDUCATION STANDARDS IN THE MINISTRY OF EDUCATION AND SPORTS

The Government of Uganda (GoU), under National Development Plan (NDP) III prioritized education by committing to improve access, quality and relevance of education for all in order to ensure sustainable socioeconomic transformation of the country.

One of the ways of improving the quality of education is through implementation of improved quality standards through the Directorate of Education Standards (DES) under the Ministry of education and Sports (MoES). The DES is mandated to ensure improvement in the quality of education and training in schools and certificate awarding institutions through inspection.

The MoES' 5-year Strategic Plan 2020/21 – 2024/25 and the Auditor General's report for the Financial Year (FY) ended 2019/20, have both highlighted challenges to provision of quality of education such as outdated policies, overlapping legal frameworks, inadequate inspection and supervision of schools, among others.

Accordingly, pursuant to Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 21 of the National Audit Act, 2008, the Auditor General (AG) instituted a performance audit on inspection of schools, and below are the findings.

Findings

1) Notably since 2019, DES has been strengthening the collection and use of school level data and this is useful in supporting evidence-based decisions. However, it was observed as follows;

2) DES lacked an Inspection Policy to guide the setting and defining of education standards in respect to inspection. This affected regulation of inspection activities at the operational level.

3) An inspection strategy was also lacking, making it difficult to measure the effectiveness of the directorate in addressing the gaps in education.

4) DES doesn't undertake proper annual planning evidenced by lack of Annual Work Plans and Budgets (AW&BS), thus the choice of schools, regions and the nature of inspections to undertake could not properly be determined.

5) The shortcomings in annual planning were exacerbated by lack of a complete and comprehensive database of secondary schools in the country, which would have been a tool to inform selection for inspections.

6) Audit noted inadequacies in school inspections, manifested in form of irregular inspections, inadequate time allocated to inspection sessions and inadequate number of full inspections undertaken. The full inspections cover all aspects of schools' quality and functionality.

7) Besides the head teachers of the inspected schools, in some instances feedback was not given to stakeholders like teachers, Boards of Governors and Local Leaders. This limits corrective actions towards improving teaching and learning and it also affects decision making.

8) Full implementation of inspection recommendations by schools is low, at only 7%. The other 93% of schools either partially implemented (64%) or did not implement at all, which is an impediment to performance improvement.

9) An impact assessment of inspection activities is yet to be undertaken since inception of DES the quality assurance arm of the MoES. Consequently, there was no effective assessment of impacts (negative and positive), their significance and exploration of potential mitigation measures to ensure DES meets its mandate.

Whereas some of the inadequacies were attributed to funding constraints, proper prioritization and use of technological tools could address the majority of the issues.

Recommendations

Audit recommended that MoES and DES should;

- Prioritize and engage relevant stakeholders for funding and any other associated support leading to the formulation of an Inspection Policy to guide DES inspection activities.
- Prioritize the formulation of a strategy to enable better planning, informed decision making and clarity of direction to enable the directorate to effectively achieve its mandate.
- Emphasize the use of the rolled out e-inspection digital tool for standardized criteria and reporting to ensure better measurement of DES' Inspection outputs/performance.
- Ensure the Directorate annually prepares AW&BS for better decision making, efficient resource allocation, enhanced performance measurement and proper accountability.
- Ensure a complete and reliable database is maintained to support the DES during planning and implementation of school inspections for better achievement of school inspection objectives.
- Undertake proper planning by defining goals with actionable plans, re-assessing staffing requirements in line with the inspection mandate and then engaging relevant stakeholders for improved resource allocation, better remuneration and facilitation to enable effective school inspections.
- Enforce adherence to the inspection guidelines by the inspectors during school inspections by use of GPS locations and other established measures to ensure adequate coverage for better results.
- Ensure DES properly plans for inspections with emphasis on feedback mechanisms to all relevant stakeholders so that recommendations are implemented to foster effective teaching and learning.
- Consider developing a communication strategy to enhance the dissemination of inspection findings to the relevant stakeholders for action to be taken.
- Ensure DES explores the use of electronic feedback mechanisms like use of emails etc., especially to the head teachers and teaching staff of the schools inspected so that recommendations are timely actioned.

- Consider enhancing the DES mandate by including enforcement function which is critical in ensuring inspection recommendations are implemented by the respective schools.

- Periodically consolidate and analyse inspection report findings and recommendations and timely liaise with other relevant stakeholders leading to concerted efforts in improvement of teaching and learning in schools.

- Ensure that Inspectors liaise with the school head teachers to design school improvement plans to address inspection recommendations. The plans should be routinely assessed to ascertain relevant and if possible make appropriate and timely adjustments.

- Ensure that all schools inspected are issued inspection reports containing details of findings and recommendations for ease of implementation.

- Ensure that DES incorporates follow up inspection activities in its planning in order to monitor implementation of recommendations to achieve improved teaching and learning in schools.

- Should plan and prioritise impact assessment to inform the Directorate's improvement strategies to appropriately achieve its mandate of improving teaching and learning in schools.

Overall Conclusion

Although the Government of Uganda has made strides in facilitating the school inspection process to improve access, quality and relevance of education, the lack of Inspection Policy and Strategy, failure to undertake proper annual planning, inadequacies in inspections, failure to adequately disseminate inspection reports to stakeholders, failure to enforce the implementation of inspection recommendations, and the failure to undertake impact assessment may reverse the gains the country has achieved in education.

The above shortcomings if not addressed, may cast doubt on the country's ability to attain the SDG 4 objective of ensuring inclusive and equitable quality education and the promotion of life-long learning opportunities for all by 2030.

4.1.10 VALUE FOR MONEY AUDIT TO ASSESS THE EFFECTIVENESS OF THE DIRECTORATE OF FISHERIES RESOURCES (DiFRs) IN REGULATING THE FISHING EFFORT IN UGANDA

Sustainable Development Goal (SDG) 14 (life under water) requires that by 2030, UN member states should have effectively regulated harvesting and ended overfishing, illegal, unreported and unregulated fishing and destructive fishing practices and implemented science-based management plans, in order to restore fish stocks to levels that can produce maximum sustainable yield[6]. In Uganda's third National Development Plan (NDP III) 2020/21-2024/25, the Agro-Industrialization Programme aims at fostering a sustainable agro-industrialization agenda in Uganda and has selected fish as one of the nine priority commodities to drive the Agro-Industrialisation agenda.

Accordingly, Government set out to nearly triple fish exports between FY 2020/21 and FY 2024/25.[7] Among the strategies to attain this goal was increasing the fish stock in lakes countrywide through closer regulation of the fisheries sector, primarily through the Directorate of Fisheries Resources (DiFRs) under Ministry of Agriculture, Animal Industry and Fisheries (MAAIF), and the establishment of the Fisheries Protection Unit (FPU). Despite some gains such as impoundment of some illegal fishing gear, concerns remain about recurrence of the aforementioned crime, the fact that less than half of Lake Victoria's fishermen are registered, and other illegal practices, which point to weaknesses in regulation. This threatens Uganda's ability to attain its economic objectives in the fish sector, and to meet the SDG 14 target of sustainable utilisation of fisheries resources.

KEY FINDINGS

The following notable achievements were registered in regulation of fishing effort:

- There was increased surveillance following establishment of the Fisheries Protection Unit under the Uganda People's Defence Forces;
- The Ugandan side of Lake Victoria registered a significant decrease in the utilisation of illegal fishing gear between 2016 and 2020, with reductions ranging from 21.2% to 72.6%. Notably, reductions were recorded for: Beach and boat seines (43.4%), Monofilament gillnets (52.3%), Small seines (21.2%), Scoop nets (72.6%), Lift nets (60.7%), Traps (45.6%) and Cast nets (30.2%).
- Enactment of the Fisheries and Aquaculture Act, 2022, which prescribes much more stringent penalties for illegal fishing than the previous law;

However, the audit also revealed the following areas for improvement:

a) Contrary to the requirement to conduct frame surveys every two years, those for all major lakes in Uganda were last conducted in 2016, except Lake Victoria's that was done in 2021. The Lake Victoria survey showed that there was still a significant amount of use of illegal gears on the lake (25%) in spite of enforcement efforts to rid the lake of illegal gears.

b) The majority of vessels and fishers (Av. 76%) in the 13 districts on Lake Victoria remain unlicensed despite the existence of the Fish Protection Unit for enforcement of compliance with the Fishing Rules.

c) Fisheries data is scattered per district because the current licensing system lacks a provision for centralizing the data as a result monitoring and follow up becomes difficult.

[6] The 2030 Agenda for Sustainable Development: Goal 14; Target 14.4.

[7] National Development Plan III

d) The Directorate does not have access to data relating to cases of non-compliance to fisheries rules and regulations to assist them update the register. Furthermore, no record of non-compliance is maintained. There is thus a noted increase of repeat offenders.

e) Fishers have to seek assistance from the District Fisheries Officer to make applications and print licenses off the e-licensing systems. Review of the performance reports for the period under review and interviews of fishers indicated that there were no activities implemented by the Directorate such as mobile licensing or sensitization of fishers to ease the use of the e-licensing system.

f) Failure to receive paid-for licenses was attributed to the frequent breakdown of the e-licensing system of the Directorate. The audit team further noted that fishing Vessel plates which are meant to also be part of the license package for Fishing Vessel Licenses are irregularly issued. So many boats thus operate without identification.

g) Licenses and fish control permits are issued in the name of the boat owners. However, the operators and fishers who use the boats are not recorded or licensed. As a result, because of the laxity to manage and control these fishers by the boat owners, the offenders are often not identified and thus keep recycling to other boats around the lake.

h) There is only one special court that prosecutes fisheries related crimes which is located in Kampala. This in addition to limited facilitation in form of funding, vehicles, propeller engines, standard boats and understaffing limits the acquisition and collection of adequate evidence for prosecution which results into delayed commencement of court proceedings.

i) The DiFRs does not have a coordination mechanism both at national and local level with the key stakeholders such as Fisheries Protection Unit (FPU), Uganda Revenue Authority (URA), and Local Government (LG) among others. This has resulted in inadequate control of the influx of illegal fishing gear, poor mobilisation of fishing communities for Sensitisation.

j) The DiFRs lacks trained M&E personnel to facilitate routine data collection and analysis as well as a comprehensive M&E framework which has affected prioritizing quantified planning for M&E activities, consistent and accurate reporting on measurable key performance indicators, as well as establishing a means of quality control and sharing of information across all stakeholders in the fisheries sector.

KEY RECOMMENDATIONS

MAAIF through the Directorate of Fisheries Resources should:

(i) Create a more sustainable plan for gathering fishing data needed other than overall surveys being done at once in collaboration with the Local Governments and community members.

(ii) Implement an import substitution strategy for fishing gears where local producers can be aided in production of affordable quality legal gears in order to discourage the importation of illegal gears.

(iii) Improve coordination mechanisms with stakeholders in order to ensure an efficient method of enforcement through self-monitoring by community members as well as organisations engaged in fishing activities.

(iv) Fast track the completion of the new licensing system under reconstruction by NITA-U and to ensure that the e-licensing system is comprehensive, quality tested and is able to ensure ease of access and use by even those in the most remote areas where internet access is limited.

(v) Fast track the reintegration of community co-management structures as a means to ensure that all members and fishers carrying out fishing activities in their community are licensed as the fisheries resources are communal assets that they should be protecting as well.

(vi) Facilitate the establishment of a centralized data management system and comprehensive coordination mechanism for all the key stakeholders involved in regulation of regulation of fishing effort.

(vii) Ensure that data on all cases in the region related to fisheries illegalities are shared with the DFOs of the Districts in the region.

(viii) Prioritise sensitization of fishers on how to use the e-licensing system and consider upgrades for easier navigation by license applicants.

(ix) Streamline license issuance by setting timelines for applications, approvals, and vessel plate delivery.

(x) Explore more efficient means of dispatching the vessel plates to fishers.

(xi) Configure the system to issue one fish control permit per fisher (baria) in order to hold them accountable for their fishing activities.

(xii) Engage relevant stakeholders to pursue establishment of regional utility courts to expedite prosecution of fisheries-related crimes;

(xiii) Prioritise allocation of funds to facilitate investigation of fisheries-related crimes.

(xiv) Develop a comprehensive M&E framework by prioritizing quantified planning for M&E activities, consistent and accurate reporting on measurable key performance indicators, as well as establishing the means of quality control and sharing of information across all stakeholders in the fisheries sector.

(xv) Train M&E personnel to facilitate routine data collection and analysis

OVERALL AUDIT CONCLUSION

MAAIF, through its Directorate of Fisheries Resources (DiFRs), has actively regulated fishing effort on Lake Victoria through licensing, law enforcement, monitoring and evaluation, and stakeholder collaboration. However, the audit found weaknesses in the e-licensing system as it was incomprehensive, difficult to operate by users, and characterised by frequent breakdowns. The Directorate was working with NITA-U to create a new and comprehensive system to address these challenges.

The Directorate also lacked a centralized and comprehensive information management system, coordination mechanism, and M&E framework, and these shortcomings led to inefficient regulation and persistent illegal fishing, threatening aquatic life and food security.

Addressing the above weaknesses identified by the audit is crucial to improve fisheries management.

4.1.11 VALUE FOR MONEY AUDIT ON THE OPERATIONAL EFFICIENCY OF CUSTOMS CENTRES /STATIONS IN THE UGANDA REVENUE AUTHORITY

The Uganda Revenue Authority (URA) is mandated to assess, collect and account for Central Government Tax Revenue (including Non-Tax Revenues) and provide advice to government on matters of policy relating to all revenue sources.

In the Financial year 2022/2023, the authority collected UGX.25,209.Bn which is 14% of the national GDP. The Authority collects revenue through the Customs and domestic departments. A breakdown of the two department's revenue collection performance for the same year (2022/23) showed that Domestic Tax contributed UGX.15,902.47Bn while Customs Department net revenue collection was UGX. 9,306.58Bn.

However, the Customs Department still grapples with the problems of persistence in traditional illicit trade, smuggling, under-declaration of goods, under valuation and mis-description (false document) despite huge budget allocations to curb the vice.

KEY AUDIT FINDINGS

I noted the following positives:

(i) The customs guidelines and tariffs were regularly updated within the ASYCUDA world system to aid in the valuation of goods. These guidelines and tariffs are updated quarterly, yearly, or when there is need be.

(ii) All cargo destined to Uganda is trucked using an electronic seal. This ensures that cargo is tracked and monitored so as to avoid theft and dumping of the cargo.

(iii) Cargo entering the country is scanned at the border posts and there are CCTV cameras that provide a live feed to ensure real-time analysis.

(iv) In coming cargo into the country is subjected to a risk assessment that leads to either physical examination, documentary check, post clearance audit, or direct release of the goods based on the lane an individual is assigned.

However, I also noted that:

a) With the use of the DEA Model analysis, the customs department had 9 customs stations out of the 28 Customs stations that were considered efficient in the year 220/21 compared to 12 (2021/22) and 11 (2022/23) customs stations observed to be efficient when compared with their peers in the utilisation of their inputs (staff and office expenses) in relation to the amount of revenue they generate, the number of declarations handled and those handled within the recommended 2-day time period.

b) Malaba One Stop Border Post, Lia Customs Station, Tanzania-Dar-Salaam, Port of Mombasa, Kisumu and Nairobi, Entebbe CAPT, Entebbe Cargo and Courier Centre, Kampala CBC, Post parcels, Portbell, customs ware house, central bus terminal and DHL were the consistently efficient stations in a period of 3 years, 2020/21-2022/2023.

c) While Jinja and Iganga Customs Station, Lwakhakha Customs Station, Oraba Customs Station, Busia One Stop Border Post, Padea Customs Station, Elegu OSBP, Mbale Customs Station, Amudat and Suam river, Goli OSBP and Karuma Customs station, Ishasha River Customs Station, Katuna, Rwanda and Kamwezi, Cyanika and Bunanagana, Mirama Hills OSBP, Mutukula and Bugango were consistently inefficient in the period of 3 years of audit 2020/21-2022/2023.

d) Customs stations that were efficient were spending less than 70 Million annually with an average of 2 to 30 staff in the station compared to their total revenues collected, total number of declarations and the declarations handled on time.

e) In 2022/23, inefficient customs stations had annual office expenses ranging from 30 million to 172 million, with 3 to 17 employees. Mutukula and Bugango had the greatest yearly spending of Ugx 172,427,100, which contributed to their inefficient ranking among their peers.

f) The amount allocated to a customs station had no bearing on the amount of revenue collected, the total number of declarations handled, nor the number of declarations handled on time.

g) Weaknesses in customs cargo verification process resulted into multiple weight misappropriations, mis-declaration, and concealment of nation of origin that further contributed to reduced revenue collections across the customs stations.

h) During verification process, the bond keepers hardly participate in the verification process but rather wait for the reconciled Verification Account between the customs officer and the agent so as to enter it into their warehouse stock management system and BWIMS. The non-involvement of required parties during verification processes poses a considerable risk to the risk mitigation measures that are documented in the URA business compendium.

i) Due to manual override of system assignments, the Customs department had inefficient task allocation to personnel, resulting in customs tasks for verification being assigned to inexperienced individual customs staff. On average, 80% of the verification work in stations were performed by 10% of the staff assigned to customs stations resulting into errors and omissions.

j) The Authorised Economic Operator (AEO) unit failed to provide adequate monitoring of AEOs in accordance with URA policy. The unit should have completed 122 pre-authorization reports, 120 post-authorization audits, over 2,000 spot checks, and other monitoring and evaluation activities by September 2023. Unfortunately, due to lack of manpower and lack of an automated tracking and monitoring system, the unit has been able to complete only 33% of the scheduled activities.

k) The Customs Department IT systems were not fully integrated to each other to facilitate efficient revenue collection. For example, the BWIMS system which is not fully integrated with ASYCUDA limits the automatic transfer of the tally sheets that are entered by the Bond Keepers in other URA systems which would aid in direct stock management reporting to URA customs and further facilitate proper monitoring of goods in Bonded warehouses.

KEY RECOMMENDATIONS

I advised the Commissioner General of Uganda Revenue Authority to;

(i) Assess the Customs Department internal operating processes and procedures on a regular basis and ensure that URA's classification of stations as preventative or revenue-generating should have key performance indicators in place to track their overall performance and contribution to revenue generation. Furthermore, urged URA to conduct a review of the size and locations of customs stations around the country in order to align their structures with revenue collection and border protection as their key objectives.

(ii) Engage Bond Keepers in the verification process as specified in the customs business compendium in order to promote openness and accountability in the verification process.

(iii) Ensure that seizure procedures are followed in order to enhance revenue collection and foster conformity with tax regulations across all involved in international trade.

(iv) Ensure that the seizure and penalty system captures comprehensive attributes of entries to facilitate easy follow up of offences management.

(v) Integrate the various IT systems to facilitate effective information sharing, analysis, and use of customs data in decision making.

(vi) Provide ongoing refresher training for verification personnel and their supervisors to guarantee compliance with established procedures.

(vii) Establish, document, and communicate job allocation procedures, as well as ensure limited manual override of the automated task allocation systems in order to reduce concentration risk.

(viii) Integrate robust system controls and online verification mechanisms into their IT systems to prevent the entry of prohibited vehicles as guided by URA policy instruments.

<u>OVERALL CONCLUSION</u>

The Customs Department has put in place procedures to prevent and reduce customs violations; however, enhanced capacity building and execution of punitive measures among customs officers will improve staff compliance even further. Weaknesses in the verification procedure impede timely tax collection and raise the danger of revenue loss, affecting the customs department's efficiency. In addition, the limited integration of IT systems across divisions hinders the seamless flow of information and coordination within the Department.

Uganda Revenue Authority needs to address the deficiencies listed above in order to improve operational efficiency and customs revenue growth.

4.1.12 VALUE FOR MONEY AUDIT ON GOVERNMENT OF UGANDA'S EFFORTS AND PROGRESS TOWARDS ATTAINING FOOD SECURITY THROUGH ADAPTATION OF CLIMATE-RESILIENCE STRATEGIES IN THE AGRICULTURAL SECTOR IN LINE WITH NATIONALLY AGREED SDG TARGETS 2.3 AND 2.4

Food security and sustainable agricultural practices are crucial for Uganda's development. 40% of Ugandans are food secure, but 23% face acute food insecurity, exacerbated by climate change. Uganda committed to achieving SDG 2 (Zero Hunger) by 2030, by doubling small-scale farmer productivity and incomes (SDG Target 2.3) and building climate-resilient agriculture (Target 2.4).

Despite government interventions, Uganda is still highly vulnerable to climate change, with media reports in recent years documenting severe drought, famine and hunger in the cattle corridor and regions like Karamoja. In addition, several studies have pointed to risk factors that contribute to persistent low crop yields and threaten SDG progress, including low irrigation usage (0.5%) which leaves farmers reliant on unpredictable rainfall and vulnerable to climate change; limited fertilizer use (24%) despite Uganda's high soil nutrient loss; low pesticide use (18.7%) and reliance on rain-fed agriculture. Furthermore, a UBOS study also highlighted significant income disparity between small and large-scale farmers.

With only seven years left to reach 2030, the Office of the Auditor General, Uganda, supported by the African Organisation of English-speaking Supreme Audit Institutions

(AFROSAI-E), assessed the government's progress and efforts towards attainment of food security and climate-resilient agriculture in line with SDG targets 2.3 and 2.4.

KEY AUDIT FINDINGS

I noted the following strides in the government's efforts to attain food security and increase incomes of small holder farmers in line with SDG targets 2.3 and 2.3:

a) Total production of the five priority food crops (Bananas, Maize, Beans, Cassava and Rice), more than doubled since the SDGs came into force, rising from 9.63 million tonnes in 2016 to 21.74 million tonnes in 2021. This was accompanied by a significant increase in cultivated area from 3.5 million hectares to 8.4 million hectares;

b) The National Agricultural Research Organisation (NARO) has developed over 40 improved crop varieties for beans, rice, maize, cassava and bananas;

c) Between FY 2020/21 to FY 2022/23, the Ministry of Water and Environment (MWE) and Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) constantly met and/or exceeded the irrigation targets set in the NDP III. Overall performance for the three years stood at 109%;

d) Integrated soil management practices like mulching and intercropping are gaining ground, particularly for bananas and maize-bean crops, offering cost-effective benefits to vulnerable groups;

e) Construction of the Aflasafe factory at Nakyesasa by NARO was almost complete

f) 359 storage and value addition facilities had been constructed across the country under the Agriculture Cluster Development Project (ACDP);

g) Introduction of the Parish Development Model (PDM) whose aim is to transform the Ugandan households engaged into purely subsistence agriculture (39% of total households) to commercial agriculture;

h) On a whole, Uganda has a comprehensive legal, policy and institutional framework for food security. However, some gaps hinder attainment of SDG targets 2.3 and 2.4.

However, the following areas necessitate improvement:

1. Progress towards attaining SDG 2.3 and 2.4

Despite the impressive production growth, average annual yields per hectare (productivity) for all the above crops except bananas stagnated or declined relative to the 2016 baseline, putting the country at risk of missing the 2030 SDG 2.3 target.

The audit also noted emphasis on expansion of acreage of land under cultivation rather than increasing productivity, which is not sustainable. Furthermore, the audit revealed a lack of established periodic targets to monitor progress towards SDG attainment for Targets 2.3 and 2.4. Data on attainment of SDG target 2.4 was not collected by Uganda Bureau of Statistics (UBOS), Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and Ministry of Trade, Industry and Cooperatives (MoTIC).

2. Implementation of actions to double productivity and incomes

(i) Development and promotion of improved crop varieties

Despite NARO's portfolio of over 40 improved crop varieties for beans, rice, maize, cassava and bananas, the audit found only 18 widely cultivated in the surveyed districts. Adoption of improved crop varieties by farmers was primarily influenced by awareness, productivity, cost and marketability. The most recent statistics obtained show only a 26% nationwide adoption rate of improved varieties, meaning that 74% of farmers still rely on traditional, low-yielding, and often climate-vulnerable crops. This limits potential yield gains. There were also some reports of instances of counterfeit seed and limited supply of foundation seed by NARO.

(ii) Provision of Irrigation Services

Between FY 2020/21 to FY 2022/23, The Ministry of Water and Environment (MWE) and MAAIF constantly met and/or exceeded the irrigation targets set in the NDP III. Overall performance for the three years stood at 109%, yet 99.6% and 62.3% of their respective irrigation projects remained incomplete.

Inconsistencies in planning, evidenced by contradictory targets, unclear baselines, and the absence of the National Irrigation Master Plan, crucial for efficient provision of irrigation services were identified as gaps in provision of irrigation services to facilitate agricultural productivity.

Additionally, high co-funding demands in the UgIFT scheme hindered smallholder participation, while MWE's limited involvement of districts in beneficiary selection and a lack of food-crop-focused irrigation models further restricted project impact

(iii) Management and Improvement of Soil Fertility

Integrated soil management practices as mulching and intercropping though graining ground, remain at 30-60 % adoption in most regions as central, northern, eastern and western Uganda. Also, despite MAAIF's target of 50 kg/ha fertilizer use by 2020, application peaked at 3.3 kg/ha, resulting in significant annual nutrient loss of approximately 80kg/ha. Data gaps for fertilizer use in Karamoja highlight potential neglect of this food-insecure region. High costs, limited availability, and lack of knowledge limit wider fertilizer adoption.

Overall, Uganda's fertilizer application per hectare of arable land remains lower than the world average (180kg/ha), the East African Community average (11 kg/ha), and the National Fertiliser Policy target (50kg/ha by 2020), and this limits attainment of productivity targets.

(iv) <u>Control of Crop and Animal Pests and Diseases</u>

MAAIF and the districts visited made undertook surveillance to identify and monitor prevalent and emerging crop pests and diseases, while some districts held quarterly plant clinic sessions at sub county level, during which they diagnosed prevailing pests and diseases, and advised farmers on remedial action.

However, challenges like improper application, high costs of pesticides, increasing resistance, and lax enforcement hampered effectiveness of these efforts, contributing to a 20-40% potential yield loss.

(v) <u>Aflatoxin control, Post-Harvest Handling, Value Addition and Market access</u>

MAAIF has not established a baseline for countrywide prevalence of aflatoxin contamination or set annual targets for reducing aflatoxin levels, and 75 PHH storage and value addition facilities were non-operational due to absence of electricity, and some farmer groups remained burdened by loans and unable to reap income while the facilities remained closed. Besides, there was no regulation to enforce adherence to prescribed quality standards for produce across the entire value chain from farm to market.

The audit noted that market access and fair pricing were key drivers of Ugandan farm productivity. A stable market for beans offered by Birya in greater Mbarara led expanded cultivation, as did markets for rice farmers in Lira and Serere, as well as maize farmers in Gulu. Conversely, low prices at PIBID deterred investment in banana production by farmers in Bushenyi.

(vi) <u>Extension services</u>

While 60% of extension worker vacancies were filled across the districts, a critical 40% remained vacant, particularly in vulnerable areas like Nakapiripirit (75% vacant). The approved staff structures varied widely between districts, suggesting the need for clearer guidance to districts in this area. Most concerning, even filled positions fall far below the recommended 1:500 extension worker: population ratio.

(vii) <u>Measuring, Monitoring and Reporting on Food Security</u>

No baseline was provided for indicators 2.3.1, 2.3.2 and 2.4.1.in the National Standard Indicator (NSI) framework Also, annual agricultural surveys had been published for 2021 and 2022 and as a result, there was no up-to-date information on progress towards attaining SDG Target 2.3 and 2.4.

Additionally, there were gaps in data from the National Food and Agricultural Statistical System, including limited district coverage (7%), missing years (FY 2022/23), incomplete data, and lack of disaggregation by farmer type. Furthermore, the system lacks linkages with key data providers such as CDO, DDA, UCDA, NAGRC&DB and NARO.

There was also no farmer system for routine data collection in all districts which has led to failure to collect routine data from farmers across the country as envisaged.

(viii) <u>Development of Legal, Policy and Institutional Framework to facilitate attainment of SDG Targets 2.3 and 2.4</u>

The existing Policies lack clear measurement metrics for farmer income and vulnerable group access, while the Green Growth Strategy's outcomes are partially measurable. The National Agriculture Policy excludes youth as a vulnerable group, and the Local Economic Development Policy's alignment with SDG targets is partial. The Agriculture Extension Policy does not empower extension officers to enforce quality standards, and the Food, Animal, and Plant Health Authority remains unestablished. Crucial legislation like the Genetic Engineering Act is missing, hampering research and fueling public distrust in GM technologies. Furthermore, budget allocation to the agricultural sector falls below the Malabo Declaration commitment of 10%, and the withdrawal of extension service grants during part of the review period hampered implementation of the Parish Development Model.

(ix) <u>Planning and Budgeting for resources and capacities for attaining sustainable food security</u>

Uganda lacks crucial baseline data on small-scale farmer productivity, income, and adoption of innovations, hindering targeted interventions. While budget lines exist for agricultural output, local plans rarely address climate change, absence of unit cost estimates at activity level complicate output assessment. Reliance on external funding exceeds 60%, and efforts towards sustainable food security remain limited, although the Parish Development Model shows promise in addressing vulnerable groups at the grassroots including youth, women, and PWDs.

<u>KEY RECOMMENDATIONS</u>

I advise the Accounting Officer of the Ministry of Agriculture Animal Industry and Fisheries in consultation with key stakeholders as MWE, MoTIC, NARL, District Local Governments, NARO, OPM, UBOS, NPA, and MoFPED to implement the following measures to enable Government attain Food security through climate adoption of climate-resilience strategies:

1. <u>Implementation of actions to double productivity and incomes</u>

(i) In consultation with other relevant government actors, consider a strategic shift to prioritise interventions aimed at maximizing agricultural productivity, rather than merely opening up more land for agriculture;

(ii) Strengthen the linkage between research and extension services to facilitate the transfer of knowledge on improved crop varieties and technologies and tailor the development of improved varieties to farmers' needs.

(iii) Re-double extension efforts to promote adoption of sustainable land management practices, integrated soil fertility management and fertiliser use to stem nutrient loss.

(iv) Collaborate with district local governments and other relevant agencies and strengthen surveillance and early detection mechanisms to prevent/ minimise the introduction and/or spread of crop and animal pests and diseases.

(v) Liaise with MWE to expedite completion of the National Irrigation Masterplan and develop irrigation project models that are suitable for application to food crops.

(vi) Streamline regulation of quality control and handling of grain across the entire value chain.

(vii) Establish a baseline for aflatoxin contamination prevalence, set annual targets for reducing aflatoxin levels, and increase capacity building of extension staff and farmers on aflatoxin control, proper post-harvest handling practices, and value addition.

(viii) Expedite cabinet approval for the commercialization of NARO's PHH and value addition technologies.

(ix) Engage MoFPED, MoPS and MoLG to accelerate recruitment efforts for extension workers, prioritising vulnerable districts.

2. Measuring, Monitoring and Reporting on Food Security

(i) Engage UBOS in prioritizing the establishment of baselines for SDG targets 2.3 and 2.4, set periodic targets to monitor performance, and undertake the collection of data for the same to report on SDG Targets 2.3 and 2.4.

(ii) Liaise with MoFPED to secure funding for complete functionalization and roll out of the NFASS to all districts and agriculture sector related MDAs to allow routine agriculture data collection, management, analysis and reporting.

3. Development of Legal, Policy and Institutional Framework to facilitate attainment of SDG Targets 2.3 and 2.4

(i) Engage relevant players to review the existing laws and policies to align them with the nationally agreed SDG targets

4. Planning and Budgeting for resources and capacities for attaining sustainable food security

(i) Engage UBOS to conduct baseline assessments to establish the current levels of productivity, income, and adoption of improved agricultural practices among smallholder farmers.

(ii) Liaise with MoFPED to create unit cost estimates for the activities of food security and climate resilient strategy interventions. This forms a basis of lobbying for the interventions for food security in the planning and budgeting process.

(iii) Prioritize interventions that address the needs of vulnerable groups.

(iv) Re-prioritize GOU funding of the sector to reduce reliance on external funding

OVERALL AUDIT CONCLUSION

Despite significant efforts and commendable achievements in some areas, Uganda's progress towards attaining SDG targets 2.3 (doubling agricultural productivity and incomes) and 2.4 (sustainable and resilient food production) remains insufficient. Productivity for priority food crops (except bananas) has stagnated or declined compared to the 2016 baseline due to: limited uptake of improved crop varieties and irrigation technologies due to factors like lack of access, affordability, and limited knowledge about proper application; Incoherent planning and monitoring exemplified by lack of clear targets, inconsistent data collection, and inadequate coordination across ministries and levels of government which hamper effective planning and monitoring of progress; Inadequate funding and resource allocation with heavy reliance on external funding, insufficient budget allocations and lack of cost estimates for food security interventions.

A food secure Uganda will require multi stakeholder engagement and adoption of a whole of government approach to ensure no one is left behind, and so MAAIF, in collaboration with relevant stakeholders, should urgently address the issues identified by the audit to get Uganda on track to measuring and meeting its SDG 2.3 and 2.4 targets.

4.1.13 VALUE FOR MONEY AUDIT REPORT ON THE DELIVERY OF UNIVERSAL PRIMARY EDUCATION IN UGANDA

In 1996, Uganda introduced Universal Primary Education (UPE) with the primary goal of providing free primary education to all children in the country. Since its inception, substantial progress has been made in enhancing access to education, notably in increasing enrolment rates, particularly among girls and underprivileged children.

Being a major government program, government has spent substantial funds (both Capitation and SFG) on the implementation of UPE. A number of challenges continue to affect the delivery of the programme objectives, including the quality education, pupil performance, dropout rates, staffing and infrastructure in the UPE schools, among others.

KEY AUDIT FINDINGS

(i) There was no documented UPE policy, which led to ambiguity in educational direction and inconsistent implementation.

(ii) The failure to have written policies or guidelines on the implementation of other policies supporting the implementation of UPE, like the abolition of PTA charge policy, the automatic promotion policy, led to contradictions and ambiguities, resulting in some schools charging PTA fees and inconsistent application of the automatic grade promotion policy.

(iii) Teachers' preparedness to deliver effective pupil learning is being affected by schools using different curricula. Twenty-three (40%) of inspected schools implemented the abridged curriculum, twenty-six (46%) implemented the standard/old curriculum, one (2%) of the inspected schools lacked a curriculum whereas seven (12%) implemented both curricula. This results in inconsistent learning outcomes, worsened inequality and difficulties in pupil transitions, particularly when learners change schools.

(iv) Besides the use of different curricula, the failure to prepare schemes of work and lesson plans also led to disorganized teaching and poor learning experiences. Teachers interviewed in 57 schools did not prepare 40% (226) of the 570 schemes of work.

(v) The inadequate Syllabus/Curriculum Coverage caused by excessive teacher workload, pupils reporting late at beginning of term and inadequate staff housing affected learning. I noted a week before the learners' promotional examinations, that out of 548 subjects (both with prepared and unprepared schemes), syllabi for 289 subjects (53%) had not been completed, whereas 259 (47%) of the syllabi had been covered. The failure to complete syllabi affects the overall learners' academic performance.

(vi) The Special Needs Education (SNE) staffing shortages are worse, leading to schools without SNEs teachers turning away SNE learners. For those that allowed SNE students to attend, due to staffing challenges, SNE learners were only being taught life skills, such as dressing themselves, wearing shoes, and feeding themselves.

(vii) I noted inadequate infrastructure in form of staff houses, classrooms, latrines and desks. These amenities create a safe, secure learning environment and makes pupils more attentive as well as encouraging school attendance, hence attainment of learning outcomes.

(viii) For classrooms, the overall average classroom to pupil ratio for the sampled schools was 1:70 in FY 2020/21, 1:75 in FY 2021/22, and 1:77 in FY 2022/23, which were all above the recommended average ratio of 1:53. The situation in the SNE schools was worse. At Kitazigurukwa Primary School, learners with autism shared classes with deaf learners due to limited classrooms.

(ix) The average desk to pupil ratios for the sampled schools was 1:4 in FY 2020/21, 1:5 in FY 2021/22, and 1:4 in FY 2022/23, which were all above the recommended average ratio of 1:3.

(x) In the sampled schools on average, each latrine was being used by 62 pupils in FY 2020/21, 65 pupils in FY 2021/22 and 67 pupils in FY 2022/23, which were all above the recommended ratio of 1:40. Instances of dilapidated latrines being used, while in some schools, girls shared latrines with boys were noted.

(xi) I reviewed the availability of staff houses and noted that 23 (40%) schools lacked staff houses, while 34 (60%) had. 50% of the staff hoses were constructed using the PTA funding and/or support from development partners.

KEY AUDIT RECOMMENDATIONS

Audit recommended that MoES should;

(i) Through the Education Policy Review Commission was advised to expedite the development of a comprehensive UPE policy and guidelines to streamline the implementation, inspection and monitoring & evaluation of the UPE programme.

(ii) Consider establishing a statutory instrument standardize and to enforce PTA guidance, aimed at uniformity in application in the schools. In addition, provide guidance on the implementation of automatic promotion pronouncement to avoid ambiguity.

(iii) Collaborate with key stakeholders to implement the policy of establishing a UPE school in every parish aimed at improving accessibility to schools.

(iv) Review both the standard and abridged curricula, to establish the relevance of the topics merged or deleted and officially communicate to educational stakeholders the type of curriculum to apply, going forward.

(v) Ensure supervision of teachers by the Head Teachers and DIS' is enforced so that the respective teachers prepare schemes for all subjects. The Head Teachers should review and sign off the teachers' schemes of work as evidence of supervision.

(vi) Evaluate the joint supervision approach used in some districts and if practical and effective, then consider persuading other districts to adopt for better supervision.

(vii) Ensure sustained capacity building programs of the DISs through support supervision and training to enhance their ability to undertake the inspection mandate of schools.

(viii) Consider engaging all relevant stakeholders for improved resource allocation leading to recruitment of additional teachers to handle the increased teacher workload.

(ix) Take deliberately measures to provide appropriate infrastructure and offer incentives to attract SNE teachers to undertake the complex and tedious work that comes with handling SNE learners, so that they are not left behind, as envisioned by the SDGs.

(x) In collaboration with the district school inspectors monitor/ inspect schools to ensure learning commences immediately after schools opening so that the syllabi/curricula are adequately covered.

(xi) Engage relevant stakeholder to consider constructing additional staff houses to reduce on time spent commuting to and from schools so that teachers complete the syllabi on time.

(xii) Take stock of infrastructure shortage in schools and liaise with relevant stakeholders to seek for support for the construction of additional classrooms, latrines, staff houses and procure desks to improve the learning environment in schools.

OVERALL AUDIT CONCLUSION

Although UPE program has led to increased number of pupils attending school, leading to increased access of education, the quality of education is still a challenge. The challenges pointed out in this report; if not addressed may reverse the gains, the country has achieved over the years in the UPE program, which may affect the country's ability to attain the SDG 4 objective of inclusive and equitable quality education and the promotion of life-long learning opportunities for all by 2030.

4.1.14 VALUE FOR MONEY AUDIT REPORT ON THE OPERATION AND MAINTENANCE OF ELECTRICITY INFRASTRUCTURE UGANDA ELECTRICITY TRANSMISSION COMPANY LIMITED

In 2005, the Uganda Electricity Transmission Company Limited (UETCL) took charge of overseeing the medium and high voltage transmission infrastructure after the electricity sub-sector underwent unbundling. UETCL's current role involves; directly engaging Independent Power Producers through Power Purchase Agreements, ensuring smooth and reliable electricity transmission.

The government annually allocates $50-70 million to bolster the transmission network, aligning with Sustainable Development Goal (SDG) 7's objective of universal access to affordable and reliable energy and SDG 9's emphasis on resilient infrastructure. Uganda's ambitious 90% grid reliability goal faces challenges due to an aging grid, skill shortages, and vandalism, leading to significant financial setbacks. In response to these challenges, the Office of the Auditor General initiated a value-for-money audit on UETCL's operations and maintenance of electricity transmission infrastructure. The audit's focus is to assess how effectively UETCL manages the operation and maintenance of grid transmission assets to ensure a dependable electricity supply.

KEY AUDIT FINDINGS

1) Grid Transmission Assets' Maintenance Performance

There is misalignment with industry standards in transmission network maintenance. Despite an emphasis on planned interventions outlined in the Corporate Business Plan, the absence of corresponding inspection reports for routine repairs and a consistent, non-adaptive inspection schedule underscore operational challenges. Staffing constraints, with a 1:25 staff to network circuit length ratio, lead to a reliance on casual laborers, impacting proactive monitoring and inspection. This results in suboptimal grid performance, evidenced by voltage interruptions, maintenance-related shutdowns, and a substantial potential revenue loss of UGX 2.6 billion due to unplanned interruptions.

2) Vandalism on Transmission Lines

The assessment of Uganda's electricity transmission network reveals a critical vulnerability to vandalism, causing widespread disruptions and incurring substantial costs. Notably, the Owen Falls-Lugogo 132 Kv Line suffered extensive vandalism, leading to the collapse of several towers, with estimated restoration costs exceeding UGX 8.4 billion. Ongoing projects, such as Karuma-Kawanda and Bujagali-Tororo, face delays and vandalism due to land use conflicts.

Despite efforts, including legal actions and security interventions, significant deficiencies persist in CCTV coverage, notably at the Tororo pole plant, and operational lapses in outsourced security services, hindering timely detection and investigation of security incidents and posing substantial risks to infrastructure protection.

3) Outdated Energy Meters

Over 211 meters, including those in Substations, Standalone units, and Power Producers' categories, were identified for urgent replacement due to issues like time drift, aged meters, battery warnings, and suspected accuracy drift. Notably, 51% of Substations energy meters and 38% of Standalone meters have exceeded the recommended ten-year lifespan.

This delay in replacement poses a significant risk of billing disputes, potentially leading to revenue losses and power supply interruptions, especially in strategic locations like Mpondwe, Katuna, Cyanika, KPLC1 132 kV transmission line at Tororo, and Kyaka transmission line that are used in the export of grid power.

4) Encroachment on the Transmission Line Corridor

Nine (9) out of Twenty-three (23) transmission lines (82%) are encroached upon. Encroachment not only impacts the physical integrity of the infrastructure but also facilitates vandalism and results in a loss of transmission capacity. The root problems contributing to this issue were noted to include; a lack of land historical documentation, orphan land complexities, compensation-related complications, unregistered easements, transmission line shifts, and the unauthorized sale of compensated land.

KEY AUDIT RECOMMENDATIONS

The Accounting Officer should;

- Expedite engagements with the regulator to equip and enhance staffing levels for Operations and Maintenance (O&M). This includes the urgent streamlining of casual labourers to support surveillance teams, building upon the existing semi-skilled labour force.

- Additionally, there should be ongoing efforts to procure and install shunt reactors in affected areas to control high grid voltages.
- Expedite the investment in monopoles for high-risk areas.
- Enhance the procurement and repair of CCTV cameras with expanded coverage.
- Consider advanced technologies for real-time detection and alert, increase security personnel at vulnerable locations like the Iganga substation.
- Expedite the replacement of aging energy meters to mitigate associated risks.
- Address overdue replacements in strategic locations like Mpondwe, Katuna, Cyanika, KPLC1 132 kV transmission line at Tororo, and Kyaka transmission line.
- Conduct a thorough assessment of wayleaves and easements, considering the status of the corridor, to devise appropriate corrective action.
- Implement a comprehensive approach involving company land documentation, enhanced land management strategies, and strengthened enforcement measures to safeguard the integrity of transmission line corridors.

OVERALL AUDIT CONCLUSION

Whereas UETCL's had a grid availability Key Performance Indicator of 98% which is commendable, and signals success in their strategic plan, and undertook good proactive anti-vandalism measures, the study uncovered critical issues impacting electricity supply reliability. For instance, Operation and Maintenance of transmission line budget shortfalls of 35% over four years, non-alignment with industry maintenance practices and inadequacies in inventory management. These shortfalls are due to; the restrictive tariff policy, inadequate justifications of the O&M budget applications made to Electricity Regulatory Authority, vandalism, an aging and yet expanding transmission network, high staffing gaps in the Maintenance department, and encroachment among others.

Though management continues to engage with key stakeholders like; Ministry of Energy and Mineral Development, Electricity Regulatory Authority and Ministry of Lands Housing and Urban development to address these weaknesses, the challenges still persist.

Therefore, urgent action is needed to address these challenges and strengthen the management of the electricity infrastructure, so as to ensure a reliable and secure power supply to the citizens of Uganda.

4.1.15 VALUE FOR MONEY AUDIT TO ASSESS THE GOVERNMENT OF UGANDA'S PROGRESS IN PROVIDING EQUITABLE AND AFFORDABLE ACCESS TO EDUCATION SERVICES FOR LEARNERS WITH SPECIAL NEEDS, IN ACCORDANCE WITH SDG TARGET 4.5"

Education is a fundamental human right that promotes fulfilling lives and societal development. Uganda committed to the 2030 Agenda for Sustainable Development, whose Goal 4, Target 4.5, aims at provision of Equitable and Affordable access to education for all vulnerable groups, including learners with special needs by 2030.

The Ministry of Education and Sports (MoES), through its Department for Special Needs and Inclusive Education, leads this effort. The department focuses on tailoring education services to the unique personal requirements of learners with special needs, with the goal of enabling them reach their full potential in all areas of life, including academics, social and emotional development. The common impairment conditions for learners with special needs seen in Uganda include hearing, visual, physical and mental among others. A child may present with more than one condition.

Learners with special needs face tremendous challenges in Uganda's education system including discrimination, stigma, limited access to inclusive and special schools, insufficient learning materials, and scarcity of teachers with training in special needs education, leading to low enrolment rates, drop outs, and poor performance in national examinations.

In light of the above concerns, I undertook an SDG Audit whose overall objective was to "Assess Government of Uganda's progress in providing Equitable and Affordable access to education services for learners with special needs, in line with SDG Target 4.5".

KEY AUDIT FINDINGS

I noted the following:

(i) The enrolment of learners with special needs in school represented only 1.97% of the total enrolment in primary schools for the year 2023 against the expected target of 16% children of school going age, based on the latest Uganda Demographic and Health Survey figures.

(ii) High dropout rates among learners with special needs due limited access to unit and special schools since most of them are located in urban areas, boarding requirements that come with extra financial burden and limited community awareness about special needs education.

(iii) Despite having a sound legal, policy, and institutional framework for providing education services to learners with special needs, there remain gaps in guidance for integration, teacher qualifications, and curriculum adaptability to the diverse needs of learners with special needs.

(iv) Designated Education Officers for special needs at the Local Governments have remained ineffective due to the lack of resources to promote identification and enrolment of learners with special needs into schools.

(v) There has been no comprehensive assessment in the country to accurately determine the number of school-aged children with special needs, the specific nature and severity of their disabilities, and the necessary educational adjustments required to effectively plan for their interventions.

(vi) The provision of instructional materials and assistive devices by the Special Needs and Inclusive Education (SNIE) department was found to be inadequate as they did not match the number of learners with special needs in special/unit/inclusive schools at the time of audit. The materials were also not modified to the personal conditions of users e.g. desktop keypads for the blind.

(vii) The 22 special and unit schools visited had inadequate infrastructure such as classrooms and dormitories to accommodate learners with special needs leading to overcrowding and sharing of classrooms by different classes thus hindering their academic progress and increasing the risk of dropping out.

(viii) Majority of the teachers handling learners with special needs lacked training in SNE. Of the 438 teachers in the schools visited, only 140 had some training in SNE. The situation was worse for Braille mathematics, with only two qualified teachers in the entire country.

(ix) The current monitoring tools at Ministry of Education and Sports (MoES) do not facilitate capturing and tracking of essential information on special needs education. This lack of data, from baseline figures to progress indicators, hinders any accurate assessment of quality and affordability in education services for learners with special needs. This is gap is evident in the absence of any entry for Uganda's special needs education under the global SDG index.

KEY AUDIT RECOMMENDATIONS

I advised the Accounting Officer Ministry of Education and Sports to;

a) Conduct policy reviews to address gaps in existing policies relating to provision of education services for special needs learners, and expedite the finalization and operationalization of the National Inclusive Education Policy.

b) Develop and implement clear guidelines for integrating individual needs of learners with special needs into education programmes.

c) In liaison with stakeholders, undertake a comprehensive assessment to establish number, category and location of the children with special needs to facilitate planning, distribution of schools, instructional materials and support infrastructure.

d) Prioritize the implementation of the Education Management Information System (EMIS) to enhance collection and management of data to enable tracking of enrolment of learners with special needs in school, their progression, and dropout rates.

e) In collaboration with relevant stakeholders, engage with the National Curriculum Development Centre to develop and adopt curriculum that provide alternative pathways that suit the competences of learners with special needs.

f) In collaboration with relevant stakeholders, lobby for deployment of essential support staff, such as physiotherapists, occupational therapists, nurses, sign language interpreters, and social workers, to special schools, units, and inclusive schools.

g) Prioritise sensitsation and support local governments on the need to develop ordinances for education and support their development.

h) Utilize the EMIS to create and maintain a comprehensive database to Special Needs Education (SNE) trained teachers to facilitate their deployments and transfers.

i) Devise mechanisms to enhance access to SNE training for all teachers including the specialised training in Braille mathematics.

j) Engage the Ministry of Finance Planning and Economic Development (MoFPED) and Ministry of Public Service (MoPS) to prioritise the 2007 Cabinet decision on enhancement of salaries for special needs teachers.

k) Liaise with the Uganda National Bureau of Statistics (UBOS) to establish indicators to aid data collection to assess progress of SDG target 4.5.

l) Establish a comprehensive monitoring and evaluation framework with specific indicators for tracking progress made in providing equitable and affordable education services for all learners with special needs by 2030.

OVERALL AUDIT CONCLUSION

Uganda has significant arrangements in place such as an enabling and coherent legal, institutional and policy framework, multi-sectoral arrangements and partnerships necessary to support provision of equitable and affordable education services for all learners with special needs by 2030. However, substantial challenges still remain in areas of availability of accurate and reliable data on the number, category and location of learners with special needs, adequate resources, instructional materials, infrastructure, trained teachers, robust monitoring tools. These challenges hinder planning, budgeting and implementation of interventions aimed at progressing towards achieving SDG 4.5 by 2030. If these challenges are not addressed, the country will fall short in its efforts towards ensuring provision of equitable and affordable access to education services for all learners with special needs by 2030, in accordance with the SDG target 4.5.

4.1.16 VALUE FOR MONEY AUDIT ON FACILITATION OF CLIMATE CHANGE MAINSTREAMING IN SELECTED SECTORS AND LOCAL GOVERNMENTS BY THE MINISTRY OF WATER AND ENVIRONMENT'S CLIMATE CHANGE DEPARTMENT

Uganda's rapidly changing climate, characterized by erratic rainfall patterns, extreme temperatures, and disappearing glaciers, poses significant threats to its development and vulnerable populations. Despite its historically low emissions, Uganda suffers disproportionately from climate change impacts like droughts, floods, and increased disease prevalence and is ranked as the 14th most vulnerable country (worldwide) to climate change impacts, and the 163rd readiest to deal with them, out of 192 countries assessed.

Recognizing this urgency, Uganda, a signatory to the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement and Agenda 2030, established ambitious climate goals through its Nationally Determined Contributions (NDCs) of 2015 and 2022, prioritising mainstreaming of climate change considerations into all ministries, departments, agencies, and District Local Governments (MDAs and DLGs). The Climate Change Department (CCD) under Ministry of Water and Environment (MWE) is required to facilitate climate change mainstreaming countrywide.

However, concerns remain about the effectiveness of climate change mainstreaming efforts. Notably, the National Budget Framework Paper (FY 2021/22) highlighted inadequate integration of climate change considerations across programmes, and document review identified potential risks like data gaps, insufficient coordination of climate action, limited technical capacity to mainstream climate change, and inadequate monitoring.

In light of the above, the Office of the Auditor General (OAG) undertook a Value for Money (VFM) audit to assess the extent to which CCD under MWE facilitated climate change mainstreaming across MDAs and Local Governments in the NDC's priority sectors of Health, Water and Environment, Agriculture, Energy, and Works and Transport. The audit was countrywide in scope and covered FYs 2020/21, 2021/22 and 2022/23.

KEY AUDIT FINDINGS

The Climate Change Department (CCD) had registered the following notable achievements in facilitation of climate change mainstreaming across government:

a) Enactment of the National Climate Change Act 2021;
b) Submission of Uganda's Updated Nationally Determined Contributions (2022);
c) Development of a Monitoring, Reporting and Verification tool to track climate action;
d) Provision of support to priority government sectors to raise approximately USD 868.58 million in climate financing between 2020 and 2023

However, I also noted the following areas that require attention:

1) Status of Climate Change Mainstreaming in Ministries Departments and Agencies (MDAs) and Districts

a) Although climate change mainstreaming was extensively done in the Agriculture, Works, Energy and Water Sector Plans, with clear interventions and budget allocations, it was minimal in the Heath Sector with no indication of concrete plans to mitigate the rising risks of waterborne diseases, heat stress, and mosquito-borne illnesses expected from increasing temperatures and floods in Uganda due to climate change.

b) 8 of the 12 sampled districts mainstreamed climate change considerations in at least two of the five sectors. Only Serere's District Development Plan (DDP) explicitly integrated climate change across all five sectors. Others, like Mbarara, Arua, and Kasese, managed four, while Soroti and Mbale fell behind with just two. All districts mainstreamed climate change considerations into the Agriculture sector, and only half in the Health sector, representing the lowest frequency.

c) Climate change mainstreaming at Local Government Level was best done in the Agriculture and Water Sectors with the worst performance reported in the Works and Health Sectors. For the Health sector, the level of routine climate change mainstreaming in most of the District Local Governments (DLGs) (6 out of 9) was low, consistent with the performance noted in the 5-year national and district plans. Unlike at the national level, climate change mainstreaming in the Works sector at DLGs visited was reported to be poor in all but one district.

2) Extent to which the CCD has supported MDAs and Districts to undertake Climate Change Mainstreaming

a) Development of Legal Framework for Climate Change

The CCD successfully spearheaded the development and enactment the National Climate Change Act, 2021, a framework law on climate change. However, some crucial regulations for climate change mainstreaming are yet be developed, including those relating to integration of climate change into the curriculum, access Climate Change Financing, climate change obligations and reporting requirements for private entities and lead agencies, and monitoring and evaluation of compliance to the Act.

b) Capacity Building of MDAs and DLGs on Climate Change Mainstreaming

Due to inadequate government funding, the CCD did not train any districts on how to integrate climate change and disaster risk reduction in their plans, budgets and reports nor any MDAs in climate risk screening of projects and programmes as planned in the NDP III. However, it trained 7 out of the planned 85 District Local Governments on climate risk screening of projects and programmes using donor funding.

c) Monitoring of Climate Change Mainstreaming in MDAs and DLGs

(i) None of the sampled MDAs and DLGs had submitted the climate change mainstreaming reports as required. The Climate Change Act, 2021, does not specify what they should report on, or how often. No requirement to report to the CCD is place on MDAs.

(ii) Ministry of Water and Environment) had not engaged the Office of the Prime Minister to ensure integration of climate change considerations into the performance assessment framework for MDAs and local governments (LGs). As such, OPM tools remain generic, unaligned to the updated NDC priority areas, and thus inadequate for assessing proper climate change mainstreaming.

(iii) Ministry of Water and Environment and National Planning Authority issued Climate Change Certificates of Compliance for the National Budget, starting with the budget for FY 2023/24. However, the scoring focused solely on strategic and programme levels, and overlooked activity-level implementation in MDAs and DLGs. Furthermore, the Climate Change Act did not prescribe any penalties to sectors that did not incorporate any climate considerations into their plans and budgets.

(iv) Whereas the CCD developed a climate action Monitoring, Reporting and Verification (MRV) tool, the tool's pre-defined sectors for data entry have not been updated to cover all the revised priority areas in the updated NDC 2022. Additionally, while the tool offers multiple modules, only the greenhouse gas inventory module is currently operational, and even that is restricted to the agriculture, forestry, and other land use (AFOLU) sector.

(v) Despite spending UGX 98.5 million on monitoring climate action across the review period, the CCD did not provide monitoring repots for audit review. Furthermore, there were no clear targets against which to assess progress on climate change mainstreaming in districts and MDAs.

d) **<u>Mobilization of Climate Financing</u>**

(i) The CCD had supported the Water, Environment, Forestry, Agriculture, Energy and other sectors to secure USD 868.58 million in climate financing for 16 projects between 2020 and 2023. However, the country's initial NDC (2015) fell far short of its funding targets due to limited capacity and initial reluctance by development partners to finance adaptation projects. The updated NDC (2022) made more ambitious commitments but lacks a comprehensive strategy and adequate institutional capacity for resource mobilization. The CCD's revised structure with new climate finance positions awaits approval by Ministry of Public Service, and the department faces the possibility that it will be downgraded to a department in the proposed merger of government departments and agencies.

(ii) CCD had not trained DLGs on how to contribute to development of bankable projects.

(iii) MoFPED had established a climate Change Unit, which was in the process of studying the modalities for establishment and operation of the Climate change Bond. This activity had been delayed by over a year, and was still incomplete.

e) **<u>Climate Change: Costs of Inaction Vs. Benefits of Mainstreaming</u>**

(i) Rainstorms, thunder and floods were by far the most commonly-mentioned climate-change related phenomena;

(ii) The highest frequency of climate-related impacts was in the Agriculture sector, and lowest in the Water and Environment Sector. The destruction of infrastructure as a result of extreme weather events, in the absence of adequate adaptation mechanisms was observed in Kilembe, Kasese district, where a road was largely washed away and a hospital destroyed by boulders hurled down Mt. Rwenzori by River Nyamwamba.

(iii) The financial impact of extreme climate-related weather events is not comprehensively documented in Uganda. However, in only one year, the OPM's Disaster Needs Assessment Report 2020 estimated losses amounting to about UGX.373 billion among the sectors selected for audit.

(iv) Several commendable climate change adaptation practices aimed at increasing resilience of crops to changing weather patterns, preserving livestock feeds and water during the dry season, and reducing susceptibility to flooding were noted in the districts visited. Among them we the fanya-juu fanya-chini farming technique, preparation of silage, promotion of zero grazing, among others.

KEY RECOMMENDATIONS

I advise the Accounting Officer of the Ministry of Water and Environment (MWE) to:

a) Prioritise development and implementation of pending regulations mandated by the Climate Change Act, including regulations for integration of Climate Change into the Curriculum, and those outlining the mechanisms for monitoring, evaluating compliance, and reporting under the Act, with specifics on content, frequency, and enforcement of reporting requirements for MDAs and DLGs.

b) Develop appropriate guidance and engage MDAs and DLGs to develop their Climate Change Action Plans as required by the Climate Change Act.

c) Annually plan for and engage MoFPED to ensure release of the funds required to implement planned NDPIII activities, including capacity building and training of MDAs and DLGs in climate change mainstreaming.

d) Engage the Office of the Prime Minister (OPM) to urgently revise its performance assessment manuals/tools to fully integrate the climate change considerations, and align them with the priority sectors identified in Uganda's updated NDC.

e) Work with relevant stakeholders to define clear consequences for failing to mainstream climate action in programme or entity plans and budgets;

f) Align the pre-defined sectors in the MRV tool to the priorities in the updated NDC in order to ensure comprehensive tracking of progress in all relevant sectors, and engage necessary actors to facilitate completion and roll out of the pending modules and finance collection of appropriate data in order to provide a holistic picture of climate action in Uganda.

g) Expedite the approval and implementation of the revised CCD structure with dedicated positions for climate finance mobilization.

h) Finalize the climate change finance strategy in collaboration with the Ministry of Finance, Planning and Economic Development (MoFPED), clearly outlining target funding sources, tailored project proposals, and engagement strategies for international partners.

i) Invest in targeted capacity building and training programmes for CCD staff and relevant stakeholders on proposal writing, financial management, and negotiation skills. This will enhance their ability to develop bankable projects and navigate complex funding agreements.

OVERALL AUDIT CONCLUSION

With support from the Climate Change Department (CCD), several sectors had made significant progress in integrating climate change considerations into National plans and sector strategies, particularly in Agriculture, Works, Energy, and Water sectors. However, whereas Climate change considerations were well-integrated in some national plans and local District Development Plans (DDPs), they were absent or limited in others, especially in the Health and Works sectors at the district level. In addition, while the CCD spearheaded the development of Climate Change Act, crucial regulations for mainstreaming are missing, and training for MDAs and DLGs on climate risk screening and project development was limited due to funding constraints.

No clear reporting requirements or penalties were in place for MDAs and DLGs, and the existing MRV tool does not cover all the priority sectors in the updated NDC. Finally, despite securing significant climate finance for specific projects, the CCD lacks a comprehensive climate Finance resource mobilization strategy and the CCD's capacity for this function needs strengthening. The department's ability to fulfil its expansive mandate is jeopardised by underfunding from government, and its anticipated rationalisation and transformation into a mere nit within the Ministry. MWE, in collaboration with relevant stakeholders, should address the challenges noted in order to effectively support the MDAs and districts in climate change mainstreaming.

4.1.17 VALUE FOR MONEY AUDIT ON ASSESSMENT OF THE CONTRIBUTION OF ANIMAL BREEDING INTERVENTIONS BY NATIONAL ANIMAL GENETIC RESOURCES CENTRE AND DATA BANK (NAGRC&DB) TOWARDS SUSTAINABLE LIVESTOCK PRODUCTIVITY AND CONSERVATION.

Agriculture continues to be a key government priority area and the main driver of Uganda's economic growth, generating 23% of the country's GDP, and contributing to attainment of Vision 2040 and the Sustainable Development Goals. Approximately 5.31 million households (74% of agricultural households) raise livestock, with 56% of livestock farmers practicing subsistence farming while only 6.6% practice commercial farming. In Uganda, the National Animal Genetic Resources Centre and Data Bank (NAGRC&DB) spearheads Animal Breeding initiatives aimed at enhancing sustainable livestock productivity through its strategic objective of increasing the production, preservation, distribution, and utilization of superior animal genetic resources within the country.

The livestock sub-sector has been highlighted as having the greatest potential to reduce poverty, improve food and nutrition security, and whose productivity is most likely to rise through commercialization. However, NAGRC&DB faces challenges such as continued prevalence of under-productive breeds leading to low productivity, limited outreach trainings, emerging and re-emerging disease outbreaks on the farms, high incidences of animal deaths, encroachment on NAGRC&DB land and delayed delivery of projects/ supplies which limit the ability of NAGRC&DB in their efforts to improve livestock productivity through the planned animal breeding interventions in order to meet the current domestic and regional demand.

In light of the above concerns, the Office of the Auditor General (OAG) undertook a VFM Audit whose overall objective was to assess the contribution of animal breeding interventions by National Animal Genetic Resources Centre and Data Bank (NAGRC&DB) towards sustainable livestock productivity and conservation.

KEY FINDINGS

Notable achievements by the National Animal Genetic Resources Centre and Data Bank (NAGRC&DB) towards sustainable Livestock Productivity and Conservation in the country include:

a) Acquisition and utilization of superior breeds in crossbreeding that have shown promising results in improving cattle, goat, and pig breeds in terms of productivity, size, growth rates, and other desirable traits;

b) Implementation of significant infrastructure projects across several of its farms countrywide, with most of these projects 100% complete. Some of the key construction projects include: Construction of the National Gene Bank and the embryo transfer services unit, a feed processing plant at Kasolwe stock farm, dairy/ cattle sheds, calf pens, hay and silage storage facilities, a pipeline milking system, feed lots, specialised breeding paddocks, farm water facilities, goat structures, pig maternity and growers' structures, 3000MT capacity grain-storage facilities, a training hostel facility and a learning Centre.

In spite of the achievements above, the following areas of improvement were noted:

a) Although NAGRC&DB has introduced various improved animal breeds through importation of live animals and semen straws in order to enhance livestock productivity especially through crossbreeding, the introduced pure breeds and cross breeds have not yet met their expected potential in terms of milk production, body weight, kidding frequency and twinning at birth.

b) A review of livestock records at NAGRC&DB farms revealed a lack of consistent data collection and analysis of animal traits including morphological, production, adaptive, behavioural, and genetics. The analysis of this data is crucial for evaluating breeds' performance, developing effective management strategies, and assessing adaptation and productivity in diverse environments.

c) Inadequacies in breeding infrastructure at the farms such as insufficient calf pens, un-operational weighing facilities, and inadequate pig maternity structures leading to the loss of 502 pigs, 2,390 goats, and 2,495 cattle, with the majority dying after birth due to congestion and increased exposure to disease transmission.

d) Although the NAGRC&DB had increased its semen production capacity, from 31,506 straws in 2020/21 to 224,828 straws in 2022/23, production dropped in 2022/23 due to low demand.

e) NAGRC&DB conserves indigenous cattle (Ankole and East African Short Horned Zebu) and goats (Mubende black and spotted, Kigezi) at the various conservation farms through both live animals and animal genetic resources. However, the conservation of indigenous cattle and goat breeds faces challenges such as crossbreeding at some farms. In addition, in vitro conservation efforts for Zebu semen were also lacking, with only Ankole cattle semen preserved.

f) NAGRC&DB farms have significantly underutilized land, with only 29% of available land currently used for cattle grazing. This is despite having enough capacity to rear over 30,000 cattle. In addition, the agency current stocking levels are only 9,683 cattle, utilizing only 41% of the land under agency control due to bush thickets and encroachers on the land.

g) None of the farms consistently attained the expected multiplication levels for cattle and pigs in all three years reviewed. For goats, only Maruzi farm met expectations in both years during which it stocked goats. This underperformance was attributed to several factors such as livestock deaths, diseases, challenges with implementation of artificial insemination (AI), inadequacies in infrastructure, challenges related to feeding, and animal health.

h) Semen distribution only reached 30% of the target due to insufficient awareness among farmers about its availability, administration, benefits, and success rates. This is because NAGRC&DB primarily relied on online advertising, such as social media, website and newspaper advertising for hay bales and silage, but undertook limited direct engagement with potential consumers for semen and improved animal breeds yet most livestock farmers are in rural communities with limited access to newspapers and internet.

KEY RECOMMENDATIONS

The Accounting Officer of the National Animal Genetic Resources Centre and Data Bank (NAGRC&DB) should:

a) Prioritize the promotion of crossbreeding interventions to ensure that farmers have access to offspring that have inherited superior productivity traits and are well suited to their local environments.

b) Institute and ensure implementation of mechanisms that facilitate accurate recording and continuous performance evaluation of animal genetic resources.

c) Conduct a comprehensive assessment to establish the actual infrastructural requirements for each farm and breeding programme and mobilise funds for their establishment.

d) Liaise with MoFPED and other stakeholders to mobilise the necessary resources to complete and operationalize the current infrastructure under development.

e) Promote strategies for increased uptake of AI by farmers to optimize the production capacity of NAGRC&DB.

f) Implement stricter measures to prevent cross-breeding on conservation farms;

g) Prioritize in vitro conservation efforts for all indigenous breeds, including Zebu cattle and indigenous goat breeds.

h) Expedite adoption of the Integrated Livestock Information Management system to meticulously document and track the genetics all conserved animals.

i) Enhance mechanisms for bush clearing and fencing all farms to make the available land grazable and mobilise and institute mechanisms to fully stock all farms for optimum utilisation of all land available.

j) Mobilise resources and establish appropriate adequate infrastructure at the NAGRC&DB farms to facilitate improved reproduction, breeding and animal health.

k) Enhance mechanisms for disease detection, treatment, control and prevention

l) Enhance training and equipping of AI technicians and farmers on improved AI practices for improved performance.

OVERALL AUDIT CONCLUSION

NAGRC&DB's interventions through acquisition and utilization of superior breeds in crossbreeding and availing the superior breeds to farmers for breeding the have shown promising results in improving cattle, goat, and pig breeds in terms of productivity, size, growth rates, and other desirable traits. These advancements have the potential to significantly enhance food security, increase farmer incomes, and boost livestock productivity across Uganda.

However, several challenges in the agency's operations such as inadequate infrastructure, insufficient data recording and performance analysis, shortcomings in conservation strategies for indigenous genetic resources, and the failure to meet distribution targets for superior breeds limit its ability to fulfil its potential and impact. The underperformance in reproduction and multiplication levels of livestock, coupled with the inability to optimize available land for feeding, also diminishes the agency's capacity to provide sufficient breeding stock to farmers hindering progress towards enhancing food security, increasing incomes for farmers and boosting livestock productivity and production. The agency needs to address these challenges if it is to enhance its contribution to Uganda's livestock sector, fostering conservation and increased productivity, improved livelihoods for farmers, and better food security for the nation.

4.1.18 GLOBAL FUND TUBERCLOSIS-GRANT PROGRAMMATIC AUDIT REPORT FOR THE PERIOD JANUARY-DECEMBER, 2022

Tuberculosis (TB) is a communicable disease that is a major cause of ill health and one of the leading causes of death worldwide. Until the coronavirus (COVID-19) pandemic, TB was the leading cause of death from a single infectious agent, ranking above HIV/AIDS. TB is caused by the bacillus Mycobacterium tuberculosis, which is spread when people who are sick with TB expel bacteria into the air (e.g. by coughing). The disease typically affects the lungs (pulmonary TB) but can affect other anatomical sites. About a quarter of the world's population is infected with M. tuberculosis. Most people (about 90%) who develop the disease are adults, with more cases among men than women.

The Government of Uganda received funding from the Global Fund to Fight Aids, Tuberculosis and Malaria ("the Global Fund cycle") for the period January 2021 to December 2023 for HIV/AIDS, Tuberculosis, Malaria, Strengthening of Health Systems, and Covid-19 Response. The Ministry of Finance, Planning and Economic Development (MoFPED) as Principal Recipient and the Ministry of Health as the implementer have joint responsibility of ensuring that the Grants are utilized for the benefit of Ugandans, while ensuring adherence to the Global Fund and Government requirements for performance and accountability.

The Government of Uganda with health development partners have registered a number of achievements in the fight against TB during the FY2021/22 for example,

- Out of 56,398,281 patients who attended OPD, 37,016,139 (65.6%) were screened for active TB disease, an increase by 51% from the FY 2020/21. About 1,020,089 (2.8%) of these were presumed, and 97,706 (0.26%) were diagnosed with TB. The increase in TB screening services was as a result of the CAST campaigns by Ministry of health.

- High treatment coverage among incident cases of 103% (83,901/81,352) including 8,706 children, and 558 people with drug resistant TB.

- The TB treatment success rate has steadily increased to 88% against a (readjusted) national target of 90%.

- The country has a network of 320 GeneXpert machines in 290 health facilities including 16-module machines in all regional referral hospitals. A total 14 GeneXpert machines, 38 Truenat machines and 11 LAMP machines were added to the TB diagnosis network during the FY.

- The Ministry implemented the first CAST TB-Leprosy campaign led by NTLP, with the support of implementing partners. This first ever 5-day campaign diagnosed over 4,000 TB patients who were started on TB treatment.

Despite the above notable achievements reported, the audit by the Office of the Auditor General identified areas of improvement that need to be addressed following the TB programmatic audit undertaken in a sample of 17 health facilities with representation from 4 levels of health care delivery (HCIIIs, HCIVs, GHs and RRHs) to assess human capacity, systems and processes in the delivery of the TB programmatic targets as committed in the grant's contractual documents.

The overall objective of the TB Programmatic Audit is, "to assess human capacity, systems and processes in the delivery of the programmatic outcomes committed to in the grant's contractual documents."

Below is a summary of the key findings and recommendations.

KEY AUDIT FINDINGS

(i) Out of the four Global Fund grant periods, Uganda met its pledges in two (02) grant periods (2001-2005/ 2017-2019) but did not meet its pledge during the grant periods (2006-2007 and 2020-2022) due to budgetary constraints. By not fulfilling the national pledge obligation, the Global Fund cycle flow predictability in the fight against TB, reinforcing resilient and sustainable systems for health has been impaired by this constraint.

(ii) The GF-TB total funding under the New Funding Model three (NFM3) was USD 29,223,593 over the period 2021-2023 out of which USD 15,112,304 was budgeted for the period Jan – Dec 2022 excluding GoU contribution. Of the available budget, only USD 5,720,915 was spent leaving USD. 9,391,389 unspent representing 38% budget absorption rate.

(iii) A shortfall in the funding contribution by both GoU and GF of USD. 7,222,703 to meet the estimated TB commodity needs for the country was noted during the period Jan-Dec 2022 Under funding of the estimated needs affects effective implementation of the TB intervention areas and may undermine the global commitments and national strategies to scale down TB infection rates.

(iv) Weaknesses in the management of the medicine stores at the sampled seventeen (17) health facilities were identified by the audit, which among others included; poor record keeping, poor storage facilities, lack of temperature monitors, inadequate pallets, un serviced fire extinguishers, and inadequate security measures to guard against safety of drugs.

(v) The Audit Analysis indicated TB detection positivity rate of 4.9% for TB and 0.16% for MDR-TB treatment facilities. I further observed that out of the, 46,727 GeneXpert tests conducted in the 13 facilities with GeneXpert machines, 2,307 were positives cases for TB and 77 were MDR TB confirmed positive cases with a detection rate for MDR TB below 1%. In addition, seven (7) of the thirteen (13) facilities that run GeneXpert tests failed to meet the set detection targets.

(vi) A number of challenges continue to affect TB treatment interventions such as scale of stock-outs of the relevant TB commodities/ items at various facilities, failure to utilize the IT based system for stock tracking, failure to utilize the redistribution policy for stock management, inadequate TB commodity supplies by Government of Uganda among others.

(vii) Audit established that the treatment success rate was still low as out of the registered 2,150 TB cases, 1,254 patients completed treatment, 244 patients died and 150 patients were lost to follow up in the year 2022. On average the treatment success rate for the 17 selected facilities was 80%.

(viii) Lack of a robust national TB community Health strategy that allows full engagement of the Village Health Team (VHTs) in intensifying TB screening, surveillance and patient follow up to increase the TB detection rates and successful treatment to achieve the desired target of 90%.

(ix) Whereas there is a coordination system at national level with development partners, there is no effective coordination system between the facilities and the Implementing Partners (IPs) in the regions of operation leading to a silo approach to planning and implementation of some collaborative interventions such as screening and surveillance services, TB awareness campaigns among others.

KEY RECOMMENDATIONS

The Accounting officer of Ministry of Health is hereby advised to undertake the following to measures for GF-TB programme performance improvement;

a) At Country level, National Planning and Program design should be integrated each year to maximize service delivery and financial impact. Implementation of the grant should include strategies to gradually increase Government financial ownership of the program to facilitate timely disbursements so as to meet the co-financing requirements as per the Global Fund co-financing policy.

b) On behalf of the Principle Recipient (PR1), the Funds Coordination Unit (FCU) should effectively undertake its administrative and financial management role to ensure that financial commitments/ obligations by the Global fund and Government of Uganda are met through timely releases to facilitate implementation of the grant work plans and attain the desired program outcomes.

c) The Ministry of Finance, Planning and Economic Development (MOFPED) and Ministry of Health (MOH) should develop a long term programme financing strategy integrated with the National development planning framework to facilitate mobilization of funding as a long term sustainable mechanism so as to reduce on over-reliance on donor support in the delivery of the national health care package to the citizenry. This will help to narrow the funding gap in the delivery of health commodities given the increasing demand due to population pressures.

d) Design a continuous training strategy to build the capacity of personnel (Assistant Inventory and inventory officers, Pharmacists etc.) that are responsible for medicines store management across all levels of care. Training of staff in store management practices will help to promote appropriate medicines use and minimize wastage through expiries.

e) Put mechanisms in place for medicine supervisors and regional TB and Leprosy supervisors to frequently conduct supervision visits as required to provide coaching and mentorship services to inventory officers in drug management practices and to provide solutions to any emerging challenges in supply chain and logistics management processes.

f) MOH should intensify efforts towards increasing the TB detection and diagnosis services by addressing issues that hinder effective MDR-TB detection and diagnosis which include, unreliable Electricity supply to carry out TB diagnosis, stock-out of TB reagents and other consumables.

g) MoH and Ministry of Local Government (MoLG) should strengthen active case finding campaigns of TB to ensure that all people with TB are detected to halt the transmission and subsequently reduce the positive rate.

h) All Facilities should intensify TB community interventions such as increasing TB contact investigations, creating awareness so as to reduce the number of TB patients diagnosed and not started on treatment, increase TB case notification, increase the proportion of notified new and relapse TB cases to facilitate early diagnosis and treatment enrolment and reduce on death rates as a result of late diagnosis.

i) MOH should develop a national partner coordination framework with clear coordination structures at district and regional levels to facilitate identification of partners with clear roles to avoid duplication through disjointed planning and direct resources to priority intervention areas.

OVERALL CONCLUSION

The Government of Uganda with Global Fund and other Health development partners (Mildmay, Baylor Uganda, USAID, TASO etc.) have made concerted efforts through co-financing commitments in the fight against Tuberculosis despite the fact that it is still ranked as a major cause of ill health and one of the leading causes of death worldwide during the grant cycle (2021-2023). At national level, strategic interventions are in place to reduce the incidence of TB, create awareness about TB and increase the proportion of people with TB symptoms that seek appropriate care from health facilities from 61% to 90%, increase TB preventive treatment coverage among eligible people to > 90%, increase TB treatment coverage from 76% to >90%, and increase TB treatment success from 72% to >90% by 2024/25.

However, there are numerous implementation challenges identified by the programmatic audit at both national and facility levels including; failure to meet the programme co-financing contractual commitments by GoU, Failure to meet the estimated TB commodity needs, weaknesses in the grant oversight function by CCM and FCU, low TB detection and diagnosis rates due to weaknesses in screening and surveillance activities, capacity gaps, stock out of reagents and other consumables, low treatment success rates due to inadequate follow ups and contact tracing, late access to treatment services among others that if addressed shall lead to success in achievement of the TB Grant programme objectives as highlighted in the paragraph above.

4.1.19 VALUE FOR MONEY AUDIT ON THE EFFECTIVENESS OF INTERVENTIONS BY THE UGANDA NATIONAL BUREAU OF STANDARDS TO REGULATE THE QUALITY OF LOCALLY MANUFACTURED GOODS

Manufacturing is essential for building a resilient, integrated, independent and self-sufficient economy. It provides an opportunity to strengthen the private sector to drive growth through increasing production for export expansion of high value products and import substitution ultimately contributing to job creation, increased incomes and improvement in quality of life. To provide Standardization and Metrology services to industry in order to facilitate trade protect consumers and ensure fair trade practices in the market place, the Uganda National Bureau of standards (UNBS) was established under cap 327 of the Laws of Uganda. The UNBS formulates and enforces national standards for various sectors, including health and safety, and promotes trade by harmonizing specifications. It also tests commodities for conformity, assists in preparing internal standards, and undertakes educational work.

Uganda’s manufacturing sector is flooded with substandard production, as over half of goods in the domestic market are below quality standards. This proliferation of inferior products impacts consumer safety and the competitiveness of Ugandan goods regionally and globally. A key driver is significant gaps in policies, laws, and regulations governing quality assurance and standardization – with inadequate legislation where it does exist and weak enforcement of the established regulations. With such systemic deficiencies in regulatory frameworks and oversight, coupled with limited awareness among businesses and consumers, the manufacturing sector has struggled to ensure quality outputs.

In light of the above concerns, I undertook an audit on the Bureau whose overall objective was “To assess the measures put in place by UNBS to regulate the quality and safety of locally manufactured products.”

KEY AUDIT FINDINGS

Notable achievements made by Uganda Bureau of Standards in regulation of standards of manufactured goods are; it has developed and implemented a number of quality standards, and it carries out regular inspections and testing of goods. UNBS also certifies systems and products, carries out public awareness campaigns, and does capacity building for manufacturers. In addition to these activities, UNBS has also automated most of its processes to provide timely and efficient services to its clients. This includes the Metrology Laboratory Information Management System (METLIMS) and the Certification Information Management System (CIMs).

Despite these notable achievements, the audit identified areas of improvement that need to be addressed as indicated below:

(i) Some critical laws and regulations like UNBS Amendment Act 2013, Weights and Measures Amendment Act Cap 103 1965, Weights and Measures (Pattern Approval) Regulations, the weights and measures (static tanks) rules and Weights and Measures (water meter) rules have been tabled to the parliamentary Counsel of Ministry of Justice but remain unapproved to-date. In the absence of these updated laws and regulations, there have been conflicts in mandates between the Bureau and agencies and reduced enforcement of desired processes.

(ii) Over a 4-year period (2019/20 – 2022/23), Uganda's standard development process exceeded timeline targets by averaging 10 additional months beyond the predetermined timelines, with a 25% shortfall in total standards developed compared to the established targets. This shortfall indicates systemic inadequacies in both streamlining and accelerating national standards setting.

(iii) A random survey revealed that 67.7% of consumers in the general public lack awareness regarding various aspects like; understanding the significance of product certifications and standards, identifying certified products versus uncertified or counterfeit ones, knowledge about the potential risks associated with using uncertified products, access to reliable information sources regarding certified products and their benefits and confidence in making informed purchasing decisions based on product certifications. This lack of awareness stems from UNBS's primary focus on promoting standards within the formal sector and SMEs.

(iv) Audit revealed gaps in the Bureau's capacity of scopes covered in calibration of equipment used by manufacturers. Specifically, the audit revealed insufficiency of up to 64.29% in the ranges of measurement parameters that the UNBS are currently able to calibrate equipment for.

(v) Some product certification processes experienced delays, averaging between 3 to 41 days longer than the specified durations. Further analysis uncovered outliers exceeding 200 days for certain certification procedures.

(vi) Laboratory tests conducted by UNBS for foods, beverages, and cosmetics were insufficient to comprehensively determine some safety and quality aspects of products such as gas composition and existence of radioactive materials. This inadequacy stemmed from the lack of necessary equipment required for conducting the various tests

(vii) 23 out of 134 districts representing 17% were never inspected during the 4 years (2019/20 – 2022/23) under study. Additionally, during the financial years under study, UNBS did not conduct any inspections of products manufactured and sold on Uganda's islands. Furthermore, the Bureau had presence at only 32 out of 555 customs points including Single Customs Territory, Border posts and Internal Customs Depot. These facilitate the smuggling in of substandard goods that are used as raw materials for production of consumer goods.

(viii) The UNBS Market Surveillance Department faces equipment shortages, understaffing, and a knowledge gap in using inspection tools, hindering effective oversight across the country. Additionally, products with compulsory standards still utilize the previous Q mark, which is deficient in fool proof security attributes, rendering them susceptible to manipulation and counterfeiting.

(ix) Storage structures for impounded goods by UNBS were inadequate and lacked regional distribution. Furthermore, existing sites suffered from poor sanitation, lacked proper ventilation, and lacked organization, leading to potential contamination among different product categories.

KEY RECOMMENDATIONS

The Accounting officer of the Uganda National Bureau of Standards should;

a) Ensure that the legal department prioritizes the development of comprehensive, costed work plans for each year, outlining specific activities, targets, and resource requirements.

b) Plan strategically, and streamline recruitment to efficiently fill missing staff positions in the departments with staffing shortages

c) Set annual targets for standards development in line with its strategic plan. In cases where budget cuts have been implemented, it is necessary to review and revise work plans to ensure a clear basis for measuring performance

d) Refine sensitization strategies, set clear objectives, and extend campaign coverage to all stakeholders per the strategic plan and review work plans when faced with budget revisions

e) Develop a structured and comprehensive calibration schedule that encompasses regular assessments of equipment requirements, designated budget allocations specifically intended for procuring calibration standards, and an efficient process for timely calibration, both domestically and internationally.

f) Align certification department work plans with strategic objectives, set uniform system certification targets for regional expansion, and create implementation plans for realistic and beneficial certification achievements.

g) Prioritize automating and digitizing certification processes to reduce reliance on manual systems that have caused delays.

h) Undertake a thorough assessment to identify all essential equipment required for testing various product categories prioritizing equipment based on risk factors, consumer needs, and industry demands and accordingly plan for the procurement of this equipment over the short and medium term.

i) Implement a comprehensive market surveillance database system to prioritize inspections, utilize ferries for island community inspections, and enhance enforcement measures against retailers selling products from unlicensed manufacturers.

j) Develop detailed procedural manuals for surveillance tools and allocate resources for comprehensive training programs to address skill gaps in the market surveillance department

k) Implement structured work plans with allocated resources for the legal unit to improve case resolution times. Deploy maintenance staff and allocate resources for warehousing upkeep. Develop a plan for modern, permanent storage facilities for impounded goods.

OVERALL AUDIT CONCLUSION

Despite the Bureau having in place adequate standards for regulation of the quality of services and manufactured products in Uganda, some critical gaps persist across legal frameworks and agencies like parliamentary Counsel of Ministry of Justice Ministry of Justice and Constitutional affairs in effectively regulating local good quality and safety. Laws have stalled, mandates unclear, standards setting slow and inadequate, consumer awareness lacking – all constraining purchase power to drive quality demands.

Moreover, severe limitations exist in UNBS enforcement capabilities and infrastructure to test products and store seized unqualified goods. Until laws and institutional roles are strengthened, standards development and consumer knowledge accelerated, enforcement capacity enhanced, and infrastructure upgraded, regulation of domestic manufactured goods will stay ineffective.

4.1.20 VALUE FOR MONEY AUDIT ON THE IMPLEMENTATION OF THE NEW LOWER SECONDARY CURRICULUM BY NATIONAL CURRICULUM DEVELOPMENT CENTRE

The Government of Uganda through the National Curriculum Development Centre (NCDC) and Ministry of Education and Sports (MoES) reviewed the Lower Secondary Education Curriculum (LSEC) starting 2018 whose implementation was rolled out in 2020. And accordingly developed the developed Competence Based Curriculum (CBC) is more inclusive and based on clear values and principles that when implemented successfully will satisfy the needs of learners of different abilities.

On the onset, the roll out of the newly developed CBC faced implementation challenges including but not limited to un harmonized legal framework, insufficient instructional materials, absence of a National curriculum policy, insufficient capacity of curriculum implementers, resistance to from stakeholders (un sensitized teachers, school owners) , Non integration of ICT in the curriculum, absence of a National assessment policy, unregulated education materials gaining access into schools among others.

In light of the above, the Office of the Auditor General conducted a Value for Money audit to assess the extent of implementation of the new lower secondary school's curriculum by NCDC.

Key Audit Findings

The following achievements have been made by the NCDC in implementation of the LSEC:

- Trained teachers from over 2,831 schools out of which 966 (34.12%) were Government aided and 1,865 (65.88%) were private schools. In addition, 1,600 master trainers were trained to facilitate knowledge transfer to other teachers in the country.
- Developed and distributed syllabus prototypes to different schools in the country to bridge the gap for delayed procurement of textbooks by Ministry of Education and sports.
- Engaged key stakeholders (UNEB, DES, DSE, Universities, ASSHU, schools, publishers and Parliament) on competence-based curriculum development and roll out.
- Developed the CBC for lower secondary, implementation guidelines and Assessment Framework to guide curriculum implementation. In addition, an abridged curriculum for effective learning during the COVID-19 nationwide lockdown and closure of schools was developed to guide home schooling.

However, in spite of these there are still some performance gaps that were identified during the audit which need to be addressed indicated below; the detailed findings are in Chapter 4 of this report

1) Legislation for Effective Education Curriculum Implementation

a) Key requirements by the new lower secondary curriculum were not aligned to the current Education standards, policies and guidelines to facilitate effective delivery of the LSEC, these included but are not limited to; integration of ICT in teaching and learning, Integration of DIT skills in learning processes and learners sitting in groups.

b) Critical policies and standards as the ICT policy, National curriculum policy, National assessment policy and Instructional materials book policy have not been approved to date whereas other critical policies are either non-existent or outdated given that the new LSEC is three years into implementation which affects effective delivery of the curriculum.

2) Implementation of the Lower Secondary Education Curriculum (LSEC).

a) Teacher Training and Retooling of inspectors.

(i) Audit noted that at the time of the curriculum roll out in February, 2020, the targeted number of teachers to be trained had not been undertaken and many of those that had under gone training during roll out (FY 2021/2022), claimed that they did not know how to implement the Competence Based Curriculum specifically the continuous assessment aspects.

(ii) Some curriculum implementers such as the District Education Officers (DEOs) and District Education Inspectors in the northern and central regions including Head teachers in the central region were never trained on the newly revised lower secondary curriculum. Additionally, in the inspected schools, some teachers and Head teachers in both public and private sampled schools were not trained to facilitate delivery of the curriculum

(iii) Pre-service teachers (student teachers) were not trained on new assessment methods and how to prepare lesson plans as stipulated in the Competency Based Curriculum. As such, they were still using traditional methods of teaching and assessment in the sampled rural Government schools

b) Effectiveness of teacher trainings by NCDC

(i) 57.1% (100 teachers out of 175) of the sampled trained teachers in the selected 35 schools (Government and Private) across the central, east, west and northern regions in Uganda, indicated the teacher trainings conducted by NCDC were not effective. The teachers further indicated that the training duration was short with very detailed training modules (high content volume), ranging between 4 to 7 days with very large numbers of participants ranging between 41 to 1,928 teachers per training session.

(ii) For a majority of the teachers, the frequency of the training was either once or twice which was inadequate to have a grip on all curriculum areas without a robust strategy for training evaluation to inform continuous training and capacity development plan

c) Provision of Instructional materials for CBC Implementation

(i) Audit noted delay in the distribution and delivery of the textbooks and teacher's guides by Government and schools started the implementation of the CBC in February, 2020 without the necessary learner's textbooks and teacher's guides. Government started distribution of textbooks in 2022 two years into implementation when the first cohort of the CBC was in S.2.

(ii) The prototypes books provided by NCDC were not delivered to all secondary schools given that NCDC used the UNEB database of secondary schools to distribute prototype materials yet the database had only schools with centre numbers leaving out those that were not in the database.

(iii) A sample of 35 schools revealed that the textbooks delivered to these schools was inadequate as the student textbook ratios were very high in some compulsory subjects whereas for some elective subjects no textbooks were provided at all to facilitate implementation of the CBC. The textbook to student ratios ranged from 1:2 to 1: 294 in different subjects, against the ideal standard of 1:1

d) Availability of Adequate School Infrastructure

Government aided schools faced difficulties in implementing CBC due to lack of adequate learning facilities such as classroom infrastructure, chairs and tables, library infrastructure, ICT infrastructure, Laboratory infrastructure among others. The teachers reported that most of the Government aided schools had high enrolment yet, there were inadequate classrooms to accommodate the high numbers. The average student-desk ratio is 1 desk to 5 students against the required standard of 1:3.

e) Integration of ICT in teaching and Learning processes

(i) Audit noted inadequate ICT equipment such as computers, Projectors and Smart Televisions etc. in all the sampled schools to facilitate full integration of ICT in teaching and learning processes. There was no ICT Policy to guide the ownership and use of IT gadgets in schools by learners for self-research given the fact that the CBC is learner-centred and research oriented. 33 out of 35 (94%) of the sampled schools restricted ownership and use of personal laptops and phones at school by students even when there was inadequate ICT equipment to facilitate learning by students.

(ii) Audit noted failure by government to retool teachers in the use of ICT equipment to facilitate teaching (lesson preparation) yet majority of them in the visited schools were not IT compliant and continued with the traditional teaching practices.

(iii) Audit noted that whereas the desired number of student computer ratio is 1:1 for effective learning, student-computer ratios in sampled schools varied from 2:1 to 35:1 regardless of the class (S1 to S3).

(iv) Audit noted unreliable internet infrastructure and internet services provided in sampled schools to facilitate research for effective learning despite the existence of some ICT equipment. The head teachers in sampled schools decried the high cost of internet to have constant reliable internet services throughout the term. Audit noted an average internet cost per term of UGX 1,999,773.

f) Catering for special Educational needs in CBC implementation

Audit noted inadequate and unfavourable special needs instructional materials for some subjects such as ICT, History and Political Education offered by the special needs learners who are blind. In addition, for the blind students that offered ICT and those that used computers to conduct research found it challenging to use the ICT equipment for effective learning. Audit further noted that whereas Iganga SS accommodates special needs learners, the school does not provide assistive devices such as white can and wheel chairs for effective participation in learning activities.

g) **<u>School Based Assessment of learners in the revised lower secondary school curriculum</u>**

(i) None (100%) of the visited schools had their school based assessments verified for reliability and validity by UNEB as required in the assessment framework

(ii) Audit noted the criteria and parameters of assessment varied from school to school and the storage of the Activity of Integration assessment results varies for different schools. At the time of audit, there was no standard system in place (whether manual of electronic) to relay continuous/ formative learner assessment results to UNEB as envisioned in the curriculum implementation guidelines.

(iii) Whereas visible projects in some schools like Iganga SS were unavailable, the audit team could hardly attach any of the visited school project marks to the physical projects presented by the schools. The teachers in the different sampled schools explained varying criterion for project assessment without a clear standard criterion. Projects most especially in nutrition and food technology subject were unavailable. Supervision by head teachers and guidance by teachers for different schools varied as learners majorly utilized the locally available materials for some projects and sourced other materials for different projects.

3) **<u>Monitoring, Evaluation and coordination of the curriculum implementation</u>**

a) NCDC had not developed a robust M&E system (tools and frameworks) for routine monitoring through data collection, analysis, interpretation and reporting on the implementation of the LSSC at the time of audit in November 2023.

b) NCDC planning unit did not develop an M&E annual work plan with clear indicators and targets to ensure effective monitoring of the NCDC activities specifically the secondary education curriculum rollout and ensure availability of accurate and timely information on curriculum implementation for corrective action.

c) Audit noted the absence of a coordination framework to guide stakeholder engagement.

<u>Key Recommendations</u>

I advise the Accounting Officer of the National Curriculum Development Centre in consultation with the Ministry of Education and Sports to;

a) Identify policy needs in line with any new developments in the education sector and prioritize the policy initiation, formulation and review processes for effective implementation of the Competence Based Curriculum (CBC.)

b) Update the data base of all secondary schools and teachers in the country to inform teacher training and retooling by NCDC and any future education reforms in the country for effective implementation.

c) Develop a detailed costed national teacher training plan to inform Government for funds allocation to train all teachers in the country as well as in-service teacher trainings as a continuous professional development strategy for retooling teachers.

d) Expedite the review of the curriculum for teacher training institutions such as universities to align with the requirements of the competency Based Curriculum in lower secondary education.

e) Adequately plan for teacher trainings and use reasonable assumptions during planning and budgeting for trainings as numbers of participants and targeted training days during the training sessions; if the trainings are to be effective.

f) Take stock of the distributed textbooks so as to provide instructional materials in line with the school needs and reduce on the identified big gaps in the student-textbook ratios to facilitate effective learning and achievement of the desired learning outcomes.

g) Take stock of the wrongly distributed instructional materials lying idle at various schools for redistribution to other schools with urgent need where such subjects are offered to facilitate effective learning.

h) Expedite the review of the National Textbook Policy, 1998 so as to guide the procurement and sale of textbooks to facilitate monitoring of the usage of textbooks to avoid exploitation by publishers. In addition, the Ministry should conduct an evaluation of the quality of the textbooks so far developed by various publishers and identify any quality gaps for corrective action.

i) Develop an infrastructure development strategy that provides for remodeling of the existing secondary school infrastructure as well as construction of more classroom to reduce on overcrowded classes for effective learning.

j) Going forward strengthen the M&E function to collect data and evaluate the effectiveness of the undertaken teacher training so as to identify gaps and undertake corrective action to improve future trainings.

k) Collaborate with the Ministry of ICT and National Guidance, Uganda Communications Commission and NITA U to fast-track approval and operationalization of the ICT policy and guidelines for schools and support provision of internet to the schools to support research for effective curriculum implementation.

l) Expedite the finalization of a harmonized curriculum assessment framework together with the assessment software and tools to allow the relay of continuous assessment results of learners from the schools to the centre

m) Develop a robust monitoring and evaluation system (M&E tools and frameworks) with clear institutional tasks for establishing data collection, analysis and reporting on the new curriculum implementation and operationalize a coordination framework to guide stakeholder engagements for effective monitoring and implementation of the competency-based curriculum.

n) Follow up with the Department of teacher Instructor, Education and Training (TIET) to undertake an evaluation of the teacher competencies to identify their training needs in line with the competency based curriculum so as to design continuous professional development individual/ self-paced trainings to facilitate effective implementation of the CBC.

Overall Audit Conclusion:

Although the Government of Uganda has made significant efforts in the implementation of the new lower secondary school curriculum by undertaking teacher trainings, procurement and delivery of instructional materials and identifying required curriculum key policy issues to be addressed among others, there were numerous curriculum implementation gaps noted including inadequate instructional materials at schools, failure to undertake a needs based assessment to inform planning for sufficient curriculum requirements, limited integration of ICT in research and learning, ineffective teacher trainings, failure to develop, review and update key policies and standards for curriculum implementation, failure to effectively undertake continuous assessments for learners in schools and absence of a robust monitoring and evaluation system, lack of stakeholder coordination framework, non-harmonized assessment framework and tools for reporting on school based assessment results. These challenges have continued to affect effective implementation of the new lower secondary education curriculum which may in the long run negatively impact the learning outcomes of the curriculum. In addition, achievement of the country's desired new LSEC outcomes requires concerted efforts of all education stakeholders so as to attain inclusive and equitable quality education in the country.

4.1.21 VALUE FOR MONEY AUDIT REPORT ON THE PROVISION OF AGRICULTURAL EXTENSION SERVICES TO FARMERS IN UGANDA

Agriculture (also called farming or husbandry) is the art and science of growing crops, rearing of livestock, fish, bees, and other productive insects.

In June 2014, Cabinet approved the reform of the Agricultural Extension Services which resulted in the transfer of the extension function from the National Agricultural Advisory Services (NAADS) to a newly created Directorate of Agricultural Extension Services (DAES) in the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF).

The reform was aimed at transforming the extension service provision from a system of parallel institutionally fragmented public and non-state actors to a well-coordinated, harmonized, regulated pluralistic service with multiple providers addressing diverse extension needs along the entire value chain (as opposed to the previous focus on mainly primary production) and synergistic integration with other agricultural support services for optimum return on investment. The reforms dubbed as "Single Spine Extension System" were aimed at enhancing agricultural production and productivity, value addition, food security, household incomes and export, building the capacity of individual farmers and farmer institutions to have greater access to and control over structures and processes that transform their resources and assets into the outcomes that they desire to achieve their goals.

Provision of agricultural extension services is a decentralized function undertaken by LGs through the Agricultural Extension Workers (AEWs) with guidance from the DAES at MAAIF. The District Production department together with AEWs manage the provision of AESs process that is; preparation of plans, implementation of plans and monitoring of activities.

This study assessed whether farmers across the country have benefited from the agricultural extension services provided by MAAIF through the District Local Governments.

KEY FINDINGS

Audit noted the following areas of commendable performance:

- The production departments for all the 12 Districts sampled had at least an extension worker undertaking the provision of extension services in each sub-county.
- All the 12 Districts took deliberate efforts to identify farmers' needs and challenges and incorporated the same into the agricultural extension work plans and training sessions.
- All the 54 extension workers interviewed from the 27 sub counties disseminated information and technologies through a mix of methods including regular farm visits, demonstrations, training meetings, farmer field days, farm tours and farmer field schools.
- The 54 extension workers had made efforts to mobilize farmers into groups through sensitizations and taking advantage of the various Ministry programs for example ACDP and PDM.
- There were various channels through which farmers could reach out to the extension workers at the district including extension workers' phone contacts, sub-county and parish political leaders, WhatsApp groups, trainings and also making visits to the sub-county premises and these were known to the interviewed farmers.
- Farmer profiling was being undertaken in 9 out of the 12 Districts which helped the extension workers to collect information about the farmers' names, the enterprise in which they dealt, the acreage of land under agricultural use, the nature of agriculture being carried out (subsistence or commercial), age and gender.
- AEWs for all the 12 Districts sampled prepared individual work plans and performance plans based on the needs identified and assessed during various extension activities like farmer trainings at group and individual level, parish level

as well as deliberate scientific research arrangements and quarterly and annual performance reports in line with their KPIs as per the performance plans for each financial year.

Despite these achievements, the audit noted the following areas that require attention by the entities to improve effectiveness in regards to provision of agricultural extension services:

1. Mobilizing and registering farmers into production and marketing groups

73.4% of farming households were not part of any farmer group, that is neither production nor marketing group whose aim was to ease dissemination of agricultural extension knowledge, information and technology.

This was mainly attributed to the perceived limited benefits for joining Agricultural extension groups, mind-set and attitude of farmers that every Government activity should have either financial gains or agro-inputs attached of which, this is not the model of operation of agricultural extension services.

2. Coverage of extension beneficiaries/farmers

The average ratio of AEW to farming households in the selected Districts ranged from 1:2000 to 1:3000 in comparison to 1:500 as indicated by Objective 4 of the NAES, 2016 as the internationally recommended ratio of AEW to Farmers. This means that one AEW on average has to mobilize 2000 farmers a year into groups.

3. Adoption of extension Knowledge, Information and technologies

41 out of 52 farmers had not implemented some of the technologies disseminated even when they showed appreciation for being taught by the extension workers and the need for this information, for instance use of the improved seedlings and modern fertilizers ox-ploughs for land preparation citing high prices charged for the technologies.

43 farmers were unable to adopt the irrigation technology, given the perceived high cost of co-funding element of the Micro-Scale Irrigation which was being disseminated in the last two financial years 2020/21 and 2021/22.

4. Monitoring of extension activities and follow ups

The audit found that monitoring and evaluation of Agricultural Extension Services was done by various Districts. However, none of the Districts fully followed the reporting format and parameters prescribed in the NAES 2016 during their monitoring activities that requires capturing key agricultural statistics. Districts instead prepared activity reports from joint monitoring with teams composed of political leaders and District technical staff that focus on reporting about capital developments implemented during the year.

As a result, vital information on agricultural statistics for instance on percentage of target beneficiaries using improved technologies, percentage of farmers' organizations supported at least six times a year by extension workers, percentage of poor households and vulnerable groups reached etc. was not captured and this affected key decisions on how AES could be evaluated and streamlined with the fact on ground.

KEY RECOMMENDATIONS

a) The Accounting Officer should ensure that the mentioned mind set change programs are effectively implemented to facilitate the desired long term benefits of agricultural extension services and agricultural practices in general rather than relying on hand-outs.

b) MAAIF should implement the NAES 2016 by increasing the number of AEWs at sub country level. In the meantime, measures to maximize output from existing extension workers should be crafted such as forming smaller teams of AEWs within each District to address the need/demands of farmers in sub countries on a rotation basis.

c) Ministry of Agriculture, Animal Industry and Fisheries, should carry out a comprehensive research exercise to address the challenges in the existing knowledge, information and technology which have been limiting the adoption of technologies.

d) The Accounting Officer should ensure that the mentioned initiatives are enforced so that reporting format prescribed in NAES 2016 and necessary parameters that enable capturing agricultural data at all level of provision of agricultural extension services are attained. This will strengthen monitoring and evaluation.

OVERALL AUDIT CONCLUSION

Agricultural extension services as provided at District level by Production Departments and supervised by Ministry of Agriculture, Animal Industry and Fisheries, have made some strides towards the achievement of the overall project objective of promoting application of appropriate information, knowledge, and technological innovations for commercialization of agriculture.

However, Provision of Agricultural extension services has had challenges such as staffing at sub county level to enable coverage of the farming households, un-enabling mind-set of farming households who expect direct financial gains and agro inputs from agricultural extension workers, short of which they get disinterested, inability by farming household to implement modern farming technologies as disseminated by Agricultural Extension workers, among other challenges. Because of this, Provision of Agricultural extension services to some extent has not achieved its objectives in terms of capacity building of farmers as well as commercializing agricultural practices.

4.1.22 A VALUE FOR MONEY AUDIT REPORT ON THE PROVISION OF SUPER SPECIALISED ONCOLOGY SERVICES BY UGANDA CANCER INSTITUTE

The Uganda Cancer Institute was established under the Uganda Cancer Institute Act, 2016 and charged with the responsibility of coordinating the prevention and treatment of cancers in Uganda. The institute offered services through its main centre on Mulago hill, Mbarara Cancer regional centre and the Gulu regional centre that include: Radiotherapy, surgery, chemotherapy, Palliative care and rehabilitation.

Over the past 6 financial years (FY 17/18, 18/19, 19/20, 20/21, 21/22 and 2022/23) the Government of Uganda has released UGX 407.98bn for the operations of the Uganda Cancer Institute. However, based on indications of performance problems such as; inadequate staffing, inadequate infrastructure, inadequate research capacity, inadequate funding for drugs, patient referrals abroad for cancer management,

I undertook a Value for Money audit "To Assess the Extent to which the Uganda Cancer Institute (UCI) has provided preventive, curative and palliative services for Cancer Treatment in Uganda.

KEY AUDIT FINDINGS

During the review period, the Uganda Cancer Institute achieved notable successes in:

- Improving the quality of care for patients from an average of 44.68% in 2020 to 72.48% in 2023;
- Providing services to many cancer patients, with several centres receiving significant patient traffic; and
- Conducting cancer research in 132 different areas over the last 5 years.

However, the following areas for improvement were also identified:

1. UCI only treated 5,071 (14%) of the 34,000 new cancer cases in 2023. The institute lacked data on patients receiving treatment at other public and private centres.

2. Uganda had three (3) functional cancer registries that cover less than 10% of the Ugandan population. The registries in Kampala, Gulu and Mayuge respectively catered for only 2.4, 2 and 0.7 million people only, out of an estimated nationwide population of 44.2 million people. They also cover only 16 out of 146 districts countrywide. Despite plans to establish the Mbarara cancer registry, it was not yet fully operational. Furthermore, UCI did not maintain vital monitoring data showing performance of the services provided by the Institute, for example, patient waiting time. Although UCI spent UGX.11,804,265,000 on purchase of various equipment, some of it was not installed or denying patients access to services.

3. The Bed Occupancy Rate was 99% and 201% for UCI main centre and Mbarara regional center respectively. Additional beds had been provided within the wards to cater for higher numbers compared to the UCI design capacity which was 114 beds, resulting in congestion (including being placed on floors). This exposes patients to the risk of hospital-acquired infections.

4. Essential medical supplies such as intravenous fluids and gloves at the main UCI main centre on Mulago hill were stored in corridors of patient wards due to the absence of storage space for these supplies. This took up already limited space for provision of services. I also noted lack of space to store equipment that was not installed at the time of the audit. For instance, PET equipment was stored in the area meant for patients waiting for Radiation Oncology treatment, while boxes of medicines were stored in wards and at OPD.

5. UCI had not collected data on changes in the cancer risk over the years based on movement of risk factors including tobacco use, alcohol use, diabetes, HIV, use of counterfeit products and dietary risk factors. Consequently, the impact of the Institute's activities and interventions towards prevention of cancer is unknown.

6. Information, Education and Communication (IEC) materials developed by UCI in 2018 and disseminated to four health workers per district in 122 districts were lost by the recipients and not further disseminated to other health workers in the districts. As a result, the health education programmes within communities did not incorporate cancer prevention and control messages to communities which limited downstream impact. Training for 4 health workers per district lacked broader dissemination. Outreach programs were restricted to facilities with community populations missing out.

7. Despite conducting research in 132 different areas over the last 5 years, UCI had not presented any policy briefs presented to Cabinet, Ministry of Health (MOH) or other agencies involved in the management of cancer to inform policy direction and formulation.

KEY AUDIT RECOMMENDATIONS

I advise the accounting officer of Uganda Cancer Institute to:

1. Expedite the establishment of the National Cancer registry to capture data from the entire country.

2. Incorporate Quality Oncology Practice Initiative measures in the evaluation framework of the institute and targets set for each parameter to enable measurement of satisfactory performance.

3. Expedite the completion of the multipurpose building and the 350 bed inpatient building so that all uninstalled equipment is installed and made available for the service of patients.

4. Liaise with Ministry of Finance Planning and Economic Development to ensure operationalization of the new staffing structure to ensure faster service delivery.

5. Ensure that a proper needs assessment is undertaken to ensure that the planned regional centres are adequate to manage the burden of cancer in the respective regions.

6. Expedite the completion of the infrastructure at the institute and satellite centres to create more capacity for managing patients.

7. Coordinate with all stakeholders involved in the management of cancer to ensure uniformity of cancer control messages/information distributed to the population.

8. Develop measures for the uptake of all research undertakings of the institute such that they contribute to cancer control measures at all levels of cancer management in the country.

OVERALL AUDIT CONCLUSION

While UCI achieved commendable improvements in patient care quality and research, the Institute still faces significant challenges limiting its broader impact. Coverage of treatment within the country remains low, and vital data on patient flows and performance metrics is lacking. Unutilised equipment, overcrowding, and storage issues hamper service delivery. Notably, cancer prevention efforts are hampered by non-availability of IEC materials and limited community outreach. Research findings haven't translated into policy recommendations, hindering long-term cancer control strategies. UCI should urgently address these shortcomings in order to maximise its potential in combatting the national cancer burden.

4.1.23 A VALUE FOR MONEY AUDIT ON THE IMPLEMENTATION OF THE MOUNT RWENZORI TOURISM INFRASTRUCTURE DEVELOPMENT PROJECT (MRTIDP)

EXECUTIVE SUMMARY

The Mount Rwenzori Tourism Infrastructure Development Project (MRTIDP) was aimed at improving the tourism infrastructure in the Rwenzori Mountains National Park (RMNP)[8], in order to improve visitor experience and increase the number of tourists.

The Project, which, by audit time, was in its 8th year of implementation, had a total budget of UGX 86.077Bn spread over two phases. Phase I, which was implemented from FY 2015/16-2020/21, had a total budget of UGX 15.487Bn while Phase II, spanning a period of FY 2021/22 – 2025/26, had a total budget of UGX 70.59Bn.

Some of the infrastructure the project Implemented included: boardwalks, resting shelters, campsites, climbing ladders and visitors' accommodation facilities, among others.

AUDIT OBJECTIVE

I undertook a Value for Money audit "To assess the Effectiveness of the Mountain Rwenzori Tourism Infrastructure Development Project(MRTIDP) to provide adequate

[8] The Rwenzori Mountains National Park (the park) covers the entire Rwenzori mountain ranges (the mountain) and therefore, in this audit, they are used interchangeably.

infrastructure, improve accessibility of tourists to the mountain and its attractions and in turn, increase visitor numbers to the mountain.

KEY AUDIT FINDINGS

I noted the following achievement of the project:

(i) The number of visitors to the Mountain increased from 2,758 in the year 2014 to 6,043 in 2019, representing a 119% increase.

(ii) The project delivered a number of its planned outputs which included construction of metallic ladders at Kalyarupia, construction of 200m boardwalk at Bujuku, construction of 300m boardwalk at Rubango, 200m boardwalk at Rukenga, construction of resting shelter and ecosan toilets at Scott Elliot, Kicucu, Nyamuleju, Omwehembe, and Freshfields.

(iii) The communities surrounding the mountain benefited through: undertaking project contracts, providing labour force, supplying food used to contractors and the increased number of tourists, reduction of crime in the communities, community projects as a result of increased park revenue and enhanced environmental awareness.

However, I also noted some areas for improvement which include the following:

(i) The average annual growth rate of visitor numbers actually declined after the project's implementation. Between 2009 and 2014, the average increase was 19%, while it dropped to 17% after the project.

(ii) Although, the park management maintained a register where visitors who climbed the mountain shared their experiences, the Ministry did not conduct any analyses of the comments made as a basis of improvements of the project.

(iii) Despite the infrastructure investments by the project over the years, visitors continued to complain about infrastructure along the trails, including the quality of accommodation facilities.

(iv) By the closure of phase, I, 57% (4 Outputs) of project outputs had not been implemented, 29% (2 Outputs) had been partially implemented and only one output, representing 14% had been fully implemented. The unimplemented outputs included: Accommodation facilities, the cable car system, rescue and safety equipment and a communication system.

(v) A review of Phase II project progress reports revealed that, only 44% representing four outputs, had been partially implemented, while the other 56% representing five outputs had not been implemented.

(vi) Operation and maintenance of infrastructure was not planned for during project inception for the different infrastructure that was to be set up. Audit was unable to identify clearly stipulated operation and maintenance arrangements for the infrastructure set up by the project on the mountain.

(vii) Phase I of the project was implemented without an M&E frame work. The profile, which serves as the project document did not provide the system for M&E to include the roles and responsibilities of various players, indicators for performance, measures of verification and tools for the collection of M&E information. I also noted that there was no regular and consistent process of monitoring how the construction activities of the project were being implemented and local leaders were not involved in the monitoring and evaluation of the project activities.

KEY AUDIT RECOMMENDATIONS

I advised the Accounting Officer of the Ministry of Tourism Wildlife and antiquities (MoTWA) to:

1. Provide for marketing and general public awareness of the new infrastructure developments at the Mountain Rwenzori sites to attract visitors

2. Engage the Uganda Wildlife Authority to put in place a robust framework for documenting visitors' experiences on the Mountain Rwenzori, including areas for improvement. The information collected from this framework should be routinely analysed and used for decision making purposes on the mountain.

3. Engage the Ministry of Finance Planning and Economic Development (MoFPED) and Parliament to ensure sufficient appropriation and warrants for the project.

4. Ensure that future projects undertaken by the Ministry have components that clearly stipulate how the local communities will benefit from the given projects, and the frameworks for measuring these benefits.

5. Increase coverage of infrastructure on the Mountain Rwenzori in line with project plans and the needs of visitors

6. Engage with UWA to develop operational and maintenance arrangements of both new and existing infrastructures to ensure sustained use of the same by visitors to the mountain.

7. Develop a monitoring and evaluation framework for the project and ensure that all monitoring and evaluation activities are undertaken as scheduled and reported on.

OVERALL AUDIT CONCLUSION

The project set up infrastructure in the park in order to improve visitor experience and increase the number of tourists. Whereas, the number of tourists increased over the life of the project, the growth rate could have been higher, if the project provided for marketing of the infrastructure, undertook maintenance and both new and existing infrastructure, and used visitors' experiences to increase coverage of needed infrastructure along the mountain. The Accounting Officer of the Ministry is therefore, advised to address the shortcomings identified as it implements phase II of the project, in order to maximize the outputs and outcomes of the project.

4.1.24 CONSOLIDATED BASELINE VALUE FOR MONEY AUDIT AND ASSESSMENT REPORT OF THE UGANDA INTERGOVERNMENTAL FISCAL TRANSFERS PROGRAM (UgIFT) IN WATER AND ENVIRONMENT, PRODUCTION AND MARKETING SECTORS, AND PREVAILING CONDITIONS IN REFUGEE HOSTING DISTRICTS FOR THE FINANCIAL YEAR 2019/2020

During the financial year 2022/23 I undertook a Baseline Value for Money audit in 50 selected Local Governments in Water and Environment, and Production and Marketing Sectors, and Prevailing Conditions in Refugee Hosting Communities. The audit was carried out for the Uganda Inter-Governmental Fiscal Transfers (UgIFT) program.

OVERALL AUDIT OBJECTIVE

The overall objective of the audit was to assess the extent/level of performance of the water and Sanitation, and production and marketing sectors in the District Local Governments before the implementation of the Uganda Intergovernmental Fiscal Transfers (UgIFT) Program. The audit also covered the prevailing conditions in refugee hosting districts in regards to quality, utilization and availability of vital infrastructure and services in the health, education, water and environment, and micro-scale irrigation sectors. The assessment was for the base year 2019/2020. I noted a number of key areas for improvement that are summarized per sector per theme;

KEY AUDIT FINDINGS

The assessment covered 3 themes per sector namely;

i. Theme 1 – Funds utilization;
ii. Theme 2 – Delivery of infrastructure; and,
iii. Theme 3 – Delivery of services.

A. WATER AND SANITATION SECTOR (WSG)

Theme 1: Utilization of Funds

In this sector, I noted that the 50 DLGs budgeted and received a total UGX.21,890,229,070 in the financial year 2019/2020, out of which UGX.21,786,968,336 (99.5%) was utilized on execution of development and recurrent activities. Of the 50 DLGs only 4 DLGs did not utilize the funds 100%. In addition, out of the total of UGX.21,786,968,336 utilised by the 50 DLGs, a total of UGX.942,102,555 (4.3%) was utilized by 19 DLGs on activities not in the work plans and with no accountability documents availed to enable audit assess the validity of the expenditures herein. Furthermore, out of the 50 DLGs, 22 achieved the planned outputs whereas 28 DLGs did not achieve 100% of the planned outputs. It was also observed that, there was no time overruns for 127 projects in 45 DLGs, however, there was no data to assess time overruns for 232 projects in 7 DLGs while time overruns for 84 projects in 39 DLGs ranged from 4 to 445 days.

Theme 2: <u>Delivery of infrastructure</u>

Under this theme 207 projects with various technologies including deep boreholes, rehabilitation of existing boreholes, production wells piped water system, valley tanks and rain water harvesting tanks were assessed and I noted that;

- There was lack of engineer's estimates for the assessed project items which should have guided the budgeting and procurement processes. And there was high unit rate of key items which were attributed to bidder's strategies, market prices of construction materials, type of contracts (Admeasurement / Lump Sum), geographical location of the project sites and considerations for risk factors.

I also observed that 41 (82%) of the 50 DLGs had projects with physical progress lag, where projects were not completed within contractual timelines. Most DLGs lacked adequate and detailed payment supporting documents and there was untimely payment of IPCs in some DLGs. For all 207 projects assessed in all the 50 DLGs, material test results were not available on file.

- The water facilities were non-functional at the time of the audit in various locations in 14 DLGs and only 9 out of 50 DLGs prioritized allocation of funds for Operation and maintenance of infrastructure projects.

- 48 DLGs (96%) did not conduct Environmental screening of projects as evidenced from the lack of screening reports as well as health and safety plans and therefore failed to implement mitigation measures associated with the projects.

- 18 (9%) of the 207 projects had facilities with major defects which included multiple cracks on Ferro cement tanks, sunken foundation on platform of shallow wells. Also 80 projects (39%) had minor defects especially in form dents on borehole platforms, drainage channels, peelings of rough cast on Ferro cement tanks among other.

Theme 3: <u>Delivery of services</u>

- I noted that; 32 boreholes (8.8%) out of 363 deep boreholes in 18 DLGs had a low water yield, it took more than 2 minutes to fill up a 20 litre jerrycan. The Water User committees(WUCs) were non- functional as evidenced from absence of records of WUCs for 332 (63.7%) out of 521 water facilities visited, and there was lack of vital infrastructure like hedges and grass around the facilities, drainage channels and soak pits on some of the water facilities.

- On supervision of water facilities, I noted that 79 did not receive any supervisory quarterly inspection visits by the DWO's staff, 71 water sources received at least

1 inspection visit in the year, 23 water sources received 2 inspections, 9 water sources received 3 inspections.

- On existence of budget and expenditure for water facility maintenance; I noted that twenty-one (21) DLGs did not budget for maintenance of water facilities, and maintenance expenditures for 18 DLGs were above the budgets due to more boreholes that were rehabilitated during Covid – 19 Pandemic. Three (3) DLGs had no budget for maintenance but spent funds on maintenance.

- On accessibility of safe water to the community; I noted that, the average number of water sources per village was less than one (1) in at least 25 villages in 11 DLGs, the 39 DLGs had more than the standard 1 water source per village. Only 10 of the 50 DLGs had number of users per facility within the requirements of the guidelines of 300 persons per borehole, the other 40 DLGs had persons per borehole ranging from 300 to 876. In addition, although the distance travelled to safe water source in rural areas should not be more than 1.0 kilometer, audit noted that for 139 water facilities, the furthest households were travelling more than a Kilometer to reach a water facility.

KEY AUDIT RECOMMENDATIONS FOR THE WATER AND SANITATION SECTOR

The Accounting Officers of the District Local Governments in conjunction with the relevant stakeholders should;

(i) Endeavor to carry out adequate planning during the budgeting processes to ensure that the planned for outputs are achieved.

(ii) Adopt a system of scanning and keeping soft copies as backup filing of key documents along with the hard copies for purposes of accountability.

(iii) Train their staff to acquire management skills to ensure adherence to the planned timeliness and timely delivery of project outputs.

(iv) Address existing capacity gaps for staff for as Engineers and other technical staff and also identify their training requirements for capacity building in costing approaches and techniques;

(v) Ensure Contract managers adherence to the contractual provisions and procedural requirements for proper contract administration and management;

(vi) Ensure that the Water and Sanitation sector comply with the sector guidelines on implementation of projects as regards site meeting. Once prepared, these should form part of the contract file;

(vii) Endeavor to appoint project supervisory personnel for all of the projects;

(viii) Ensure that the contract managers keenly assesses the mobilization and deployment of the required resources by the contractor;

(ix) Ensure that the DWO conduct appropriate material tests with equal emphasis on good workmanship to provide assurance on quality of works done;

(x) Endeavor to cause responsible officers to conduct the required environmental screening for all project with mitigation measures of the negative impacts accordingly documented; and,

(xi) Carry out a needs assessment to inform and review the adequacy of the percentage of allocation for the maintenance of the water sources of the WSG funds as provided in the Sector Grant and Budgeting Guidelines of the Ministry of Water and Environment.

(xii) Conduct detailed studies for siting and installation of adequate and reliable point water sources or reliable water supply systems to counter the negative impacts of the low yields and frequent breakdowns due to over use of the existing facilities by large numbers of users should be implemented;

(xiii) Ensure that sensitization of users is carried out by the Water and Sanitation staff to instil in the facilities' user communities the sense of ownership of the water facilities to deter vandalism and encourage them in participation towards maintenance of the water facilities;

(xiv) Ensure the DWOs carry out their mandated roles and duties to ensure that WUCs are properly instituted and constituted and are functional in compliance with the sector guidelines;

(xv) Ensure the DWOs are be provided with dedicated means of transport to facilitate their external oversight requirements ensure delivery of quality of services in the Water and Sanitation Sector; and,

(xvi) Ensure that adequate sensitization of the water facilities user community is carried out by the Water and Sanitation staff during implementation to instil in the facilities' user communities the sense of ownership and of their responsibility for the maintenance of the water facilities.

B. <u>PRODUCTION AND MARKETING SECTOR</u>

The focus for the assessment of the performance of the Production and Marketing Sector was on the crop and micro-irrigation sub-sectors.

Theme 1: <u>Utilization of Funds</u>

In this sector; I noted that the 50 DLGs budgeted and received a total of UGX.20,037,152,013 as production and marketing Grant in the FY2019/20. Out of which UGX.19,810,434,135 (98.9%) was absorbed. 9 DLGs did not absorb 100% of funds received and their absorption of funds ranged from 74.5% to 99.9%. I could not ascertain the utilization of the grant funds on eligible activities in 14 DLGs due to absence of PMG grant specific annual and quarterly work plans, budgets and reports. I addition, 25 DLGs out of 50 failed to achieve 100% of their respective planned outputs/targets and 18 DLGs neither availed their work plans for the planned outputs/targets nor reports for the achieved outputs/targets. Twenty-seven (27) DLGs had at least one of their assessed projects with time overruns, ranging from 77 – 408 days.

Theme 2: <u>Delivery of infrastructure</u>

In this theme the assessment focused on 15 infrastructural projects in 12 DLGs of Adjumani, Amuru, Arua, Lwengo, Lamwo, Obongi, Nwoya, Omoro, Madi Okollo, Wakiso, Sembabule and Kibaale.

- I noted that there was lack of engineer's estimates for all the assessed project items and there was high unit rate of key project items. I also observed poor record keeping in 6 DLGs that led to absence of payment vouchers to enable adequate audit assessment.

- I also noted that in the 12 DLGs contract supervision and monitoring arrangements were inadequate which was attributed to lack of quality project supervision reports, evidence of approved supervising personnel and record of site meetings, and environmental screening reports as well as health and safety plans.

Theme 3: <u>Delivery of services</u>

- I noted the existence of low extension services for crop sub sector and 19 of the 50 DLGs achieved at least 90.0% of the targeted farmers receiving extension services for crop production. Six (6) DLGs (12%) lacked evidence for generation and adoption of improved agronomical technologies, and establishment of demonstration/seed multiplication sites.

- I noted on assessment of crop production yields of 3 major crops in DLGs, three crops did not meet the sub regional standard crop yields in 4 DLGs (8%) Only 1 crop met sub regional standard in 11 DLGs (22%), while 8 DLGs (16%) had no data to assess crop yield. Low yields were attributed to; Low uptake of fertilizers, Climate changes such as drought, floods, High costs of cultivation and, Low application of modern farming practices.

- I also noted that 14 DLGs (28%) did not conduct any supervisory visits in the financial year 2019/2020 as they lacked supervisory reports to confirm, and 34 DLGs (68%) had staffing levels below the standard of 75% and the District Agricultural Engineers for the irrigation subsector were not recruited in 9 DLGs (18%)

<u>KEY AUDIT RECOMMENDATIONS FOR THE PRODUCTION AND MARKETING SECTOR</u>

The Accounting Officers of the District Local Governments in conjunction with the relevant stakeholder holders should;

(i) Ensure poor document management causing unavailability of necessary reference documents for accountability of funds is addressed. DLGs need to adopt electronic filing system as backup filing of key documents.

(ii) Ensure that the Production and Marketing Sector should realistically plan achievable outputs.

(iii) Ensure that the Production and Marketing Sector officials are trained to acquire management skills to ensure adherence to the planned timeliness and timely delivery of project outputs.

(iv) Ensure that the production and marketing coordinators supervises AEOs and regularly prepare and submit status reports on the activities of the established farmer's groups in their respective sub counties.

(v) Ensure that the mechanisms are devised to attract and retain agrobusiness input suppliers for easy access by the farmers.

C. PREVAILING CONDITIONS IN REFUGEE HOSTING DISTRICTS IN HEALTH, EDUCATION, MICRO IRRIGATION, WATER AND SANITATION SECTORS

The prevailing conditions (quality, utilization and availability of vital infrastructure and services) in the Education, Health, Water and Environment Sectors and Micro-scale irrigation within refugee settlement camps of Nakivale and Oruchinga in Isingiro DLG, Rwamwanja in Kamwenge DLG, Kyaka in Kyegegwa DLG, Kyangwali in Kikuube DLG, Kiryandongo in Kiryandongo DLG, Bidibidi in Koboko DLG, Rhino camp in both Madi-Okollo DLG and Terego DLG, Maaji and Oliji in Adjumani DLG, Palabek in Lamwo DLG and Palorinya in Obongi DLG.

Below are the findings for each assessed sector;

1. EDUCATION SECTOR

In this sector, the assessment focused 46 primary and 8 secondary schools across the 11-refugee host DLGs.

a) Quality of Education services provided in schools

I noted that for;

- **P7/S4 Completion rate**

The National standard for school completion rate is 100% and of the 45 primary schools assesses 8.9% met the standard, 42.2% were below the standard and there was no data on enrolment for 48.9% of the schools. Meanwhile of the 8 secondary schools assessed 25% exceeded the standard, 50% were below the standard and 25% lacked data to enable the assessment.

- **PLE/UCE Passing Rate**

  The National Standard for passing exams is 100% of the 45 primary schools assessed, 15.6% met the standard, 57.8% were below the National Standard 26.7% had no data for use in computing the PLE passing rate. For the secondary schools 87.5% had student UCE passing rates that ranged from 83.6% to 99%, and 12.5% of the schools had no data for use in computing the student UCE passing rate.

- **Pupil/student attendance rate**

  11 out of 45 (24.4%) primary schools registered attendance rate of 100%, and three (3) secondary school's attendance rates ranged from 92.8% to 98%, Ten (10) (22.2%) primary schools had pupil attendance rates below 100%; and twenty-four (24) primary schools (53.3%) and 5 (62.5%)secondary schools had no data for use in computing the pupil attendance rates and this was due to poor record keeping.

b) Adequacy of human resource in provision of Education services

I noted that for;

- **Pupil-Teacher ratio (PTR)/Students-Teacher ratio (STR**

  The National Standard for PTR and STR is 55:1 and seven 7(15.5%) primary schools and 6 secondary schools were within the standard whereas twenty-two (22) 48.8% primary schools were above the Standard. No data was availed for 16 primary schools and 2 secondary schools. The favourable pupil to teacher ratio was attributed to the support provided by the implementing partners that recruited more teachers in some of the schools within the refugee settlement camps. For secondary schools, the performance was attributed to the low number of learners enrolling for secondary education.

- **Teacher attendance rate**

  The teacher attendance rate national set standard is 100% and Five (5) primary schools met the standard, fourteen (14) primary schools and Four (4) secondary schools were below the standard, and Twenty-six (26) primary schools and 4 secondary schools did not maintain daily teacher attendance registers.

c) Contribution of external oversight to the quality of services delivered in schools

I noted that;

- Inspection of schools should be of at least 3 times a year, Twenty-four (24) primary and six (6) secondary schools received at least 3 inspections, 4 primary schools received 2 inspections, 2 primary schools received one inspection; while

17 primary schools lacked data and one secondary school was not inspected by the district inspectors of schools. Failure to carry out inspection by the District Education technical staff was due to non-prioritization of inspections and laxity by inspectors since most of the services within the refugees were provided by the technical staff of the Implementing Partners. In addition, 29 primary schools had no inspection recommendations, while 17 schools implemented with 4 of them implementing 100% of the recommendations.

- 2 Secondary schools had no recommendations to implement, due to no inspection, the other six, implemented the recommendation raised in the inspection reports and the level of implementation ranged from 23% to 100%.

d) Unit cost of services delivered per pupil/student

- Twenty-eight (28) primary schools had unit cost of teaching ranging from UGX.10,120 to UGX.36,598 which was above the UGX.10,000 allocated per pupil under UPE in 2019. The high unit cost per pupil in the 28 primary schools was as a result of additional funding by the implementing partners. Ten (10) primary schools had the unit cost of teaching ranging from UGX.2,434 to UGX.9,605 below the UPE allocation standard. For seven (7) primary schools, their unit cost per pupil could not be determined due to lack of data.

- Six (6) secondary schools had unit cost of teaching ranging from UGX.182,860 to UGX.2,822,675 which was far above the UGX.55,000 allocated per student under USE. 2 secondary schools had a unit cost of UGX.30,573 and UGX.11,715 respectively which were far below the UGX.55,000 allocated per student under USE. Inadequate cost of services delivered per pupil/student impacts the delivery of the education services in schools.

e) Availability of vital Education infrastructure and services at school

- I noted that Pupil/Classroom Ratio (PCR) for all the 45 primary schools were above the National standard of 55:1. Two secondary schools had student/ Classroom Ratio (PCR) which were within the National standard and the 6 secondary schools had Student/Classroom Ratio (PCR) above the National standard. The high PCR was attributed to high enrolment pupils/students as a result of influx of the refugees;

- On Pupil/Latrine Stance ratio (PSR), the national standard is 40:1. Fourteen (14) primary schools had PSR ranging from 4:1 to 38:1 and six (6) secondary schools had PSR ranging from 13:1 to 38: 1 which within the National Standard. However, Thirty-one (31) primary schools' PSR ranging from 43:1 to 166:1 and two secondary schools having PSR above the standard.

- Fifteen (15) primary and 6 secondary schools had the number of Pupils per Desk Ratio (PDR) ranging from 1:1 to 3:1 which was within the National standard of 3:1, and 30 primary and 2 secondary schools had ratios above the National standard ranging from 4:1 to 20:1.

- Eight (8) primary and 5 secondary schools had functional libraries, whereas 37 primary and 3 secondary school had no library and kept text books in either boxes in the Head Master's office or in a room designated as a book store, and six (6) Secondary schools had at least one laboratory for science subjects.

- Concerning the permanent accommodation units for teachers, nine (9) primary schools did not have any accommodation for the teachers. The rest of the 36 primary school had staff accommodation ranging from 1 to 36 units. Two (2) secondary schools had accommodation ranging from 4 to 12 teachers, whereas the 6 had no accommodation for teachers.

- Regarding number of facilities for co-curricular activities, 4 schools did not have playgrounds for extra-curricular activities, the other 41 schools had at least one play ground. For secondary schools, apart from one, the other secondary schools had at least a playground for co-curricular activities.

2. HEALTH SECTOR

In this sector, the assessment focused on 1 Health center 4 (HCIV), 29 Health Centre3s(HCIIIs) and 17 Health Centre2s(HCIIs) across the 11-refugee host DLGs.

I noted that;

- The HCIV had 76 fresh still births, 15 HC IIIs had fresh still births ranging from 1 to 71. The rest of the H/Cs III did not exceed the national target of 11/1000. The high fresh still births in H/Cs were attributed to, Delays in referrals from the lower health centers, delay by the pregnant mothers to report to the health facilities; Inadequate attendance of pregnant mothers for antenatal visits; and the high population has forced H/C 11s to handle deliveries.

- Facility based maternal death / 100,000 deliveries was assessed ranging from 0/100,000 to 14/100,000 against National standard of 98/100,000 for all 49 sampled health facilities in Refuge Host Communities in the 11 DLGs.

- On Average Length of Stay (ALOS) for 49 sampled health facilities, thirty (30) Health Centre IIIs had ALOS ranging from 1 to 5.1 days; 6 HCs had ALOS above the National target of 3 days; 4HCs did not provide information on ALOS; and, four (4) out of 19 H/CIIs had admissions of in- patients and reported ALOS ranging from 1.7 to 2 days. Admissions of inpatients by H/C II were attributed to increase number of patients demanding for health services in the refugee settlement camps.

- Thirty-eight (37) out of 49 sampled health facilities in 11 refugee host Districts had no stock outs, while for 12 HCs stock outs ranged from 0.12% to 33.1%. The stock out of drugs and essential supplies for HCIIs was high; this was attributed to the high demand of basic medicines as reflected in high turnout in OPD.

- The National Health Sector Policy provides for 80% as minimum staffing levels however; 24 HCII & III had staffing levels ranging from 0% to 79% below the national target and 25 health centres staffing levels ranged from 84% to 500%. The high staffing levels was attributed to the fact that 90% of the staff are being paid for by the development partners.

- Forty-three (43) health facilities received the required quarterly support supervision visits in the 11 DLGs, and all the five (5) Health centres in Isingiro DLG were not supervised at all by the District Health sector officials.

- High bed occupancy rate in all the health centres ranging from 6.2% to 947.9% for 25 HCIIIs and 81.0% to 1,365.9% for 5 HCIIs. I also noted that the inpatient admissions in all health centres which was attributed to influx of patients from neighbouring communities.

- On availability of vital health infrastructure and services, I note that 15 out of 18 H/C II and 17 out 30 H/C IIIs had 100% of all the vital medical buildings available, the other health centres lacked various types of medical buildings. In addition, 24 H/C IIIs 11 H/C IIs and had 100% medical equipment available whereas the other 6 H/C IIIs and 7 H/C II lacked adequate basic equipment.

- 16 H/C III and 9 HC11s had maximum accommodation units for the staff. All the sampled H/Cs had at least one source of water which included gravity flow scheme, boreholes and rainwater harvesting tanks, among others. All the sampled H/Cs had at least one 2- stance pit latrines block.

3. <u>WATER AND SANITATION</u>

- I noted that the quality of water delivered to the refugee communities was potable based on the UNBS potable water standards, as the quality was managed by UNHCR, OXFAM through NWSC in 4 DLGs, the other DLGs only recorded the quality of water as satisfactory without elaborate quality indicators.

- I noted that 26 out of 52 Water sources sampled received supervisory visits ranging from 3 to 6 visits. The other 26 water sources did not receive adequate supervisory visits as spelt out in the water sector guidelines.

- I also noted that Water User Committees(WUCs) existed for all water sources and 13 out of 52 WUCs of the water sources held monthly meetings and were sensitized

- On usability and functionality of water facilities I noted that boreholes, water harvesting tanks and piped water systems in the refugee hosting communities were serving large numbers of persons more than the recommended. Borehole water yields in Kamwenge DLG were very low with the range of 300 – 600 liters per hour. No records of borehole yields were available from the other DLGs

- Water facilities could always breakdown but the exception was the piped water supply system at Bangatuti HC III in Yumbe DLG that broke down 48 times in a year due to large number of users. It could take a day to repair in 4 DLGs due to availability of technicians for the other DLGs repairs could take upto 7 days to respond to the need for repairs.

- On availability of key infrastructure and services at the water source, I noted that, all the boreholes had well maintained drainage channel with a soak pits, no bush overgrowth around the facilities though some boreholes had no hedges around them.

OVERALL AUDIT CONCLUSION

In conclusion, the assessment observed that improvements in the Delivery of Services in Health, Education, Micro irrigation, Water and Sanitation Sectors and the Refugee Hosting Districts not only require construction of more infrastructural facilities but also to ensure availability of adequate vital human resources in schools and health care facilities in the provision of respective services for better and improved achievement of objectives in the respective sectors.

The gap/s and inadequacies in the buildings, equipment and human resources requirements need to be addressed for more effective service delivery which calls for elaborate needs assessment and funding for implementation of necessary interventions.

4.1.25 VALUE FOR MONEY AUDIT REPORT ON INITIATIVES TO ADDRESS THE STREET CHILDREN PHENOMENON IN UGANDA BY THE MINISTRY OF GENDER, LABOUR AND SOCIAL DEVELOPMENT

The street children phenomenon has become of concern to many Ugandans, because it is becoming a source of insecurity, being a nuisance on the streets through begging, in some instances the children engage in pickpocketing. Street children phenomenon is a complex global problem which is dynamic, volatile and cannot be solved without addressing the factors that push and pull children to the streets.

Most of the street children lack necessities and face societal challenges, including exploitation, abuse; contracting HIV/AIDS, getting teenage pregnancies and their rights being neglected[9].

There have been several strides by the GoU to uphold the rights of all children in the country by protecting them from all forms of abuse, neglect, exploitation and violence by instituting legal frameworks, strategies and programs to improve the well-being. However, these policies have not protected all children from abuse and exploitation, especially those on the streets.

The GoU, through the Ministry of Gender, Labour and Social Development (MoGLSD) and other Ministries and Agencies (MDA's) have instituted and implemented interventions such as; street and route surveillances, withdraw, rehabilitation and resettlement, skilling and

[9] The Strategy for withdraw of street children 2008

empowerment of children of age; and development and dissemination of documentaries on street children to prevent movement to the streets. These however have not been effective in reducing the number of street children.

It is against this background that an independent assessment was undertaken to "evaluate the initiatives instituted by MoGLSD to address street children phenomenon in Uganda", and below are key audit findings.

KEY AUDIT FINDINGS

1) Although Government was commended for developing the frameworks such as the National Child Policy, 2020; Children (amendment) Act, 2016; National Framework for Alternative Care (2013), Street Children Strategy, 2008, there were no regulations to enforce the Children (amendment) Act, 2016. In addition, there is no guideline, specific to the management of street children phenomenon.

2) Furthermore, the National Children Authority, which is expected to advise government on the formulation of policies, strategies and plans relating to the promotion, protection and realization of children rights, lacked a board.

3) Consequently, the MoGLSD and the other stakeholders cannot effectively implement and enforce the existing legal and regulatory frameworks, leading to continued exploitation of children by the organized and sophisticated deceitful persons/ traffickers.

4) Out of 8 Local Governments and City Authorities assessed, only two, namely KCCA and Kasese DLD had developed an ordinance and bye-law respectively. From the remaining six, it is only Napak DLG that had a draft bye-law, which was still being reviewed by the Solicitor General. KCCA and Kasese DLD were facing enforcement challenges of their local laws due to funding shortages and lack of community backing and leadership support.

The ones that did not develop had not prioritized the management of the street children phenomenon and also lacked technical capacity to develop the bye-laws.

This has left the street children phenomenon, with its attendant consequences of begging, snatching people's properties etc. to continue unabated in all the Local Governments and City Authorities. The rounding of street children currently time and again, at best can be described as reactionary as opposed to being concerted, which has seen the numbers of street children rising by the day.

5) The MoGLSD and its partners did not adequately undertake major activities of withdrawal of children from the Streets; rehabilitation at transit centres; and resettlement & reintegration to the families and communities. In the FY 2020/21, its performance was only 35%, dropped to 32% in the FY 2021/22 and then to 30% in the FY 2022/23. This was non prioritization of street child activities manifested in budget cuts and staffing shortages.

6) The funding for street children activities in MoGLSD was UGX 78.5 M in FY 2020/21, UGX.100 M in the FY 2021/22 and UGX.120 M in FY 2022/23. To expound the funding challenge, in the FY 23/24 (though out of scope but more current) the MoGLSD was appropriated UGX.24 M by Parliament. The funding shortages in the Department of Youth and Children Affairs (MoGLSD) was 52%, KCCA was 60% and the other 5 cities and DLG selected the gap ranged from 70% - 80%.

7) Kobulin Youth Skills Centre, in Napak District, the main transit centre in rehabilitation faces challenges. The facility, which was not primarily created as a rehabilitation centre, has limited accommodation capacity, inadequate sanitation facilities, no fence (the chain-link collapsed in 2021). In addition, the psychosocial support and instructors/ trainers in vocational skills are inadequate, besides the budget constraints.

8) MoGLSD did not undertake field monitoring visits regarding street children because it focused its attention on rehabilitation of street children at Kobulin Youth Skilling Training Centre. This was due to limited funding to operationalize child well-being committees to coordinate all actors and establish an effective data collection mechanism.

9) The department of Youth and Children Affairs does not perform the coordination role of other stakeholders due to lack of funding.

10) Despite the government programs, interviews with District/City Probation Officers revealed that the street children numbers have kept increasing over the years, meaning the pull and push factors were not effective. All five cities and 1 DLG of Moroto showed an increase of street children, over the three years of study.

KEY AUDIT RECOMMENDATIONS

I advised the MoGLSD to;

(i) Engage the relevant stakeholders to consider revisiting the technical guidance earlier received, leading to the development of appropriate regulations and guidelines on street children phenomenon to enable proper enforcement of the Children's Act.

(ii) Engage all relevant stakeholders advocating for multipronged and concerted effort to combat the street children phenomenon. Strengthen the compliance and implementation of existing regulatory framework, through sustained surveillance, monitoring and supervision which will make the streets unattractive to the children and the traffickers.

(iii) Consider developing guidelines on street children phenomenon, detailing best practices and providing additional clarity on the implementation of initiatives geared towards addressing the street children phenomenon.

(iv) Encourage the other Local Governments and City Authorities to prioritise the development of bye-laws and ordinances to address the phenomenon of street children in their respective localities. The MoGLSD should offer technical support and guidance to such Local Governments and City Authorities during the development of bye-laws and ordinances.

(v) Advised the Local Governments and City Authorities to ensure during drafting, enactment and implementation of bye-laws and ordinances that the communities and leaders are engaged and adequately sensitized to ensure acceptability leading to better enforcement.

(vi) Advise KCCA and Kasese District which have already enacted an ordinance and bye law respectively, to sensitize communities and leaders leading to acceptability and thus better enforcement. The prosecutions by KCCA should be publicised to deter others from becoming child offenders.

(vii) Continues engaging and sensitizing all relevant stakeholders on the need to prioritise the street child phenomenon so that adequate funding is provided, to;

- Provide tailored non-skilled activities like bakery, masonry, tailoring, hairdressing etc. blended with entrepreneurship skills, so that the withdrawn children get engaged in income generating activities.

- Avail start-up tools and support to ensure that the children transit to income generating activities which dissuades them from going back to the streets, instead of being "picked, trained and abandoned".

- Follow-up the reintegrated children to ensure that they are aren't getting back to the streets. This requires research to be undertaken and the establishment of a database that can aid follow-up.

(viii) Engage the Ministry of Public Service to consider lifting the moratorium on the recruitment of staff so that additional staff are enlisted to implement activities of elimination of street children from cities and urban centres. In the meantime, continue lobbying the partners to support the employment of social Welfare Officers at LLG and training of para social workers to bridge the community development officers staffing gaps.

(ix) Engage and lobby stakeholders for funding and other support for establishment of rehabilitation centres specifically meant for the street children. These can be regional, and the establishment can be done in a phased manner, given the capital outlay that may be required.

(x) Ensure that it follows up with the stakeholders so that the Cabinet directive on funding is actioned, leading to provision of additional funding for a facelift of Kobulin Youth Skills Training Centre.

(xi) Ensure continuous sensitisation of parents and communities at the epicentres on child rights coupled with the provision of livelihood alternatives to reduce the vice of parents using children as a source of livelihood.

(xii) Prioritise and establish a monitoring strategy that takes stock of past intervention and lessons learnt to inform future government interventions on street children. This should be augmented by undertaking periodic research on matters of street children to inform future interventions.

(xiii) Operationalise the child well-being committees to coordinate all actors and establish an effective data collection and analysis mechanism.

(xiv) Undertake evaluation whose results should inform the improvement strategies to be able to effectively manage/handle the street children phenomenon in the country.

(xv) Prioritise and allocate funds for coordinating government entities involved in implementation of street children activities so as to harmonize the different roles to avoid duplication and wastage of resources.

(xvi) Consider designing and implementing programs targeting improvement of livelihood of families in most affected street children areas, and specifically target the street children returnees.

(xvii) Intensify surveillance on the known routes and sensitise all the security operatives to ensure that children without caretakers are identified and removed from buses to stop them reaching the cities/urban centres. There should be sustained and regular surveillances on the major routes to curtail the trafficking of children.

(xviii) Infiltrate the racket of child trafficking, the MoGLSD and other agencies like KCCA and Napak District should develop stringent measures to deal with the vice right away from the family and Community levels, including arresting and prosecuting parents and agents of child trafficking and the demolition of illegal shelters harbouring street children.

(xix) Invest in research and data collection on street children by carrying out comprehensive assessment of every street child and creating a database in order to make informed strategic decisions regarding the phenomenon.

(xx) Liaise with other agencies to ensure that they plan, budget and fund the activities related to street children phenomenon as well as sensitisation of families and communities on dangers of children running away from home to the streets.

(xxi) Create awareness and build capacity of the Local governments so that they can execute their mandate as protecting children.

(xxii) Develop effective short, medium, and long-term policies and Strategies to deal with low enrolment rate, school drop-outs of street children, and developing street children oriented literacy education curriculums.

OVERALL AUDIT CONCLUSION

The increasing number of street children in Kampala and other town/ urban areas is socially unacceptable, pointing to breakdown of traditional system but also presents a major social problem including begging on the street (public nuisance), causing insecurity to people and property. As a country we are losing useful and productive citizens to the street.

While, the MoGLSD and the other stakeholders are trying to ensure that the street children phenomenon is reduced in Uganda within the existing legal framework, there are still weaknesses in enforcement of the laws, funding challenges and weaknesses in rehabilitation and resettlement. The Government needs to prioritize and adequately fund and have concerted and sustained efforts by all key stakeholders who handle street children activities, as opposed to being reactionary. Implementing these recommended will contribute to the effectiveness of initiatives in the reduction or elimination of street children in Uganda.

4.2 A REPORT OF THE AUDITOR GENERAL ON THE GOVERNMENT OF UGANDA PUBLIC FINANCIAL MANAGEMENT SYSTEM FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

A sound Public Financial Management (PFM) is critical for service delivery to the citizenry as it enables the country to mobilize revenue, allocate public funds, undertake public spending, account for funds and audit results based on a set of rules, laws, systems and processes used by sovereign nations.

In Uganda the Public Finance Management Act (PFMA), 2015 provides for the legal and regulatory framework for the management of: Macroeconomic and Fiscal Policies; Budget Preparation and Approval; Contingencies Fund; Cash and Asset Management; Public Debt, Grants and Guarantees Management and Petroleum Revenue Management. Accordingly, a number of Public Financial Management (PFM) reforms have been undertaken and others currently ongoing throughout Government aimed at strengthening the financial management function in Government.

Over the years, I have been making important observations at individual entity level during thematic audit of budget performance on annual basis. Some of the observations included; failure to budget for activities, diversions/mischarges, underperformance of revenues, implementation of off-budget activities, non-quantified outputs, under absorption, partial and non-implementation of activities, and low levels of service delivery among others. This provided audit feedback at entity level. However, there was a need to assess the systematic performance of Government as a whole.

As a result, six (06) entities were considered for PFM Audit to identify any systemic performance problems and their underlying root causes to facilitate making evidence based recommendations for corrective action. The selected entities include; The Ministry of Finance, Planning and Economic Development (MoFPED), Uganda Revenue Authority (URA), Parliament, Ministry of Works and Transport (MoWT), Ministry of Water and Environment (MoWE) and Ministry of Health (MoH);

Audit objective

The overall objective of the PFM audit was to assess the effectiveness of the implementation of Public Financial Management System along the whole budget cycle for the financial year 2022/2023.

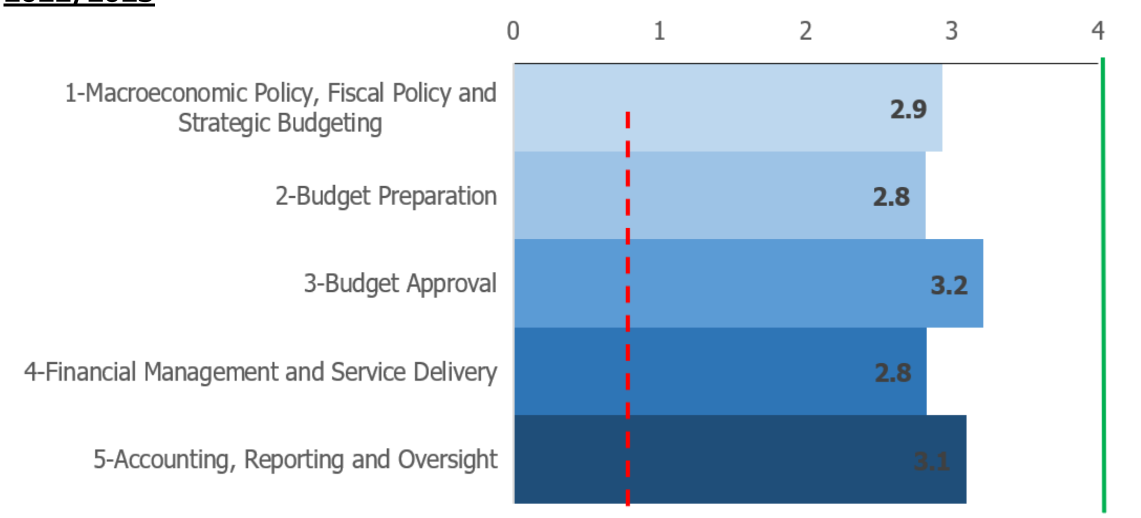
The assessment was undertaken on the following five (05) key PFM Processes:

(i) Macro-Economic Policy, Fiscal Policy and Strategic Budgeting;
(ii) Budget preparation;
(iii) Budget approval;
(iv) Financial Management & Service Delivery;
(v) Accounting, Reporting & Oversight.

Key audit findings

On the basis of the methodology and assessment criteria used, the average overall PFM Government performance was 3.0 (fairly satisfactory performance) against a target of 4.0. The overall Government performance of the PFM key processes is presented in the figure below;

Figure 4: Showing Government performance along each PFM process for the FY 2022/2023



Source: *OAG PFM performance assessment tool dashboard results for the FY 2022/2023*

The vertical dotted red line represents a risk level (1 – 0) below which requires urgent remedial action.

The factors explaining the average overall Government PFM system performance of 3.0 are as follows;

(i) MoFPED prepared the National Budget Framework Paper (NBFP) for FY 2022/23 – FY 2026/27 by 31st December 2021 in compliance with the deadline set in the PFMA.

(ii) The Medium-term forecasts were done for the main fiscal indicators, e.g., revenue by type, expenditure, fiscal deficit (budget balance), and underlying assumptions. These forecasts formed part of the budget documentation submitted to Parliament.

(iii) Alignment of budget spending priorities to the strategic plan, NDP III and other key policies and policy priorities.

(iv) Compliance with the budget preparation procedures in terms of legal requirements, budget calendar and budget classification among others.

(v) Extensive consultations are conducted during the budget preparation process with the key stakeholders such as the Civil society, Private Sector, Development Partners Project Preparation Committee, media, Programme Working Groups among others.

(vi) Domestication of SDGs as per the consolidated National Planning Development Framework and the responsibilities/ targets allocated to various contributors of the NDPIII programmes in their respective strategic plans, PIAPs and work plans for implementation.

(vii) MoFPED submitted a comprehensive and complete budget proposal to parliament by 31st March, 2022 for the FY 2022/23 as required by the PFMA for approval. The budget was submitted to parliament, debated and approved on 20th May 2022.

(viii) Parliament has technical staff attached to the Sectoral Committees of Parliament, who support the Committees to ably scrutinize debate and amend the budget. The staff comprise of research assistants who are qualified Accountants, Lawyers, Statisticians, Economists, Social Scientists, Financial Analysts among others.

(ix) Parliamentary meetings and debates are open to the public. In addition, the debates on the budget are open to the mass media and are broadcast on various Televisions and Radios as well as published in the print media (newspapers and other publications).

(x) There are systems in place to monitor procurement processes and outcomes. The procurement processes are monitored by respective entity Accounting Officers, Public Procurement and Disposal of Public Assets Authority (PPDA), MoFPED, PPDA Tribunal, but the key Authority in charge of implementation of the procurement laws is the PPDA. The PPDA regularly monitors, reports and follows up on the procurement processes through conducting compliance audits and publishing of annual procurement reports.

(xi) Procurement information is accessible to the public, as this information was readily available on the entity websites, notice boards, and the Electronic Government Procurement (e-GP) system. This transparency not only promotes accountability but also enables stakeholders to make informed decisions and fosters trust in the entity's procurement practices.

(xii) The Government of Uganda consolidated financial statements are produced in accordance with the National Legal and Regulatory Framework as specified in the PFMA, 2015. Government is transitioning from modified accrual basis of accounting to reporting on the full accrual basis of accounting based on large aspects of the International Public Sector Accounting Standards (IPSAS). Relatedly, they are audited and published to promote transparency and accountability.

(xiii) Programme Based Budgeting system was upgraded and interfaced with the Integrated Financial management system (IFMS). The upgrade also provided for opening up for Non tax revenue (NTR) budgeting and going forward this will facilitate reporting on NTR budgets in the financial statements.

(xiv) Government of Uganda has made efforts in ensuring that systems are in place to facilitate monitoring of service delivery.

(xv) Parliamentary Accountability Committees review, comment and debate findings of the audit reports as evidenced by the Hansards and Committee reports laid and discussed in the plenary sessions of Parliament.

Despite the notable good practices, the PFM system audit identified areas of improvement as indicated below;

a) **<u>Macroeconomic policy, Fiscal policy and Strategic budgeting</u>**

(i) Whereas the Debt to GDP decreased by 0.7% from 53.4% to 52.7% in the FYs 2021/22 and FY 2022/23 respectively, it still lies above the International Monetary Fund (IMF) recommended 50% point of safety for public debt. In order to maintain the Debt to GDP Ratio within sustainable limits, Government of Uganda developed a medium Term Debt Management Strategy (2022/2023-2025/2026).

(ii) There was no evidence that the macro-fiscal (budget) sensitivity analysis results developed by MoFPED were discussed by the Parliamentary Budget Committee during the budget process of discussing the budget framework paper.

(iii) URA has not established a formal process or standards to guide in the preparation of the tax revenue forecast.

(iv) Whereas MoFPED developed macro-fiscal (budget) sensitivity analysis providing different alternative scenarios accounting for shocks and other buffer cases, there was no evidence that these results were discussed by the Parliamentary Budget Committee during the budget process.

(v) The Macroeconomic assumptions included in the budget only cover a select few indicators of GDP and inflation. There was no evidence to show that indicators such as; interest rates to explain the performance of the economy through monetary policy measures in place, exchange rates and employment rates are considered.

(vi) MOFPED prepared Medium-term forecasts for the main fiscal indicators and underlying macroeconomic assumptions which formed part of the budget documentation sent to Parliament however, the information presented in the budget documents did not provide any explanation for the deviations between prior year forecasts and actual fiscal out-turns to enhance further informed decision making during the budget process.

(vii) Inconsistencies in the funding requirements for the year under review to implement activities to deliver on strategic plan objectives. The analysis indicated significant variances between the entities' annual work plans and the strategic plans estimate of 44.67%.

(viii) Consistent underfunding of the contingency fund for the prior years and period under review. Analysis indicated that over the years, the initial appropriation to the Contingency Fund remained constant at UGX 62.07 Bn, below the required 0.5% of the appropriated annual budget of Government of the previous financial year.

(ix) Supplementary funding source of UGX.1.4Tn, which accounted for 2.99% of the maximum allowable 3% by law wasn't clearly outlined before approval by parliament leading to unbalanced Government budget whereby approved expenditure was higher than the approved revenue estimates.

b) **<u>Budget Preparation Process</u>**

(i) Partial alignment of the BFP intermediate outcomes and targets to those in the NDPIII. Overall, there was a moderately satisfactory (68%) alignment of the budget framework paper to the NDP III.

(ii) Failure to appropriately quantify the cost of SDG interventions in the National Budget as entities' activities are not actively aligned with the SDGs but are unintentionally aligned as they were silent on the specific targets and indicators outlined in the SDG Framework.

(iii) Under Budgeting of previous year's arrears with analysis of the budget allocations for the selected entities indicating a funding shortfall of 88.6% of domestic arrears.

c) **Budget Approval Process**

(i) Some parliamentary recommendations during in-year budget reviews were not adhered to by MoFPED as some activities/projects which were rejected by Parliament were funded by MoFPED without justification and authorization.

(ii) Program based approach to Planning and Budgeting has not been fully embraced by Parliament. Review of the Parliamentary Hansard of 5th January 2023 indicated that members of parliament had not yet properly internalized/ understood the Programme based approach to budgeting.

d) **Financial Management and Service Delivery Process**

(i) There are still non performing procurement indicators that have undermined the performance of the procurement system and these include the proportion of contracts in which payment was made on time to the providers at 48% against a target of 70%, proportion of contracts by value completed within time at 52% against a target of 60%, and proportion of contracts by value subjected to open competition at 58% against the target of 80%.

(ii) I noted delays in URA's procurement system specifically at the bidding stage due to poor planning, delays in the certification of providers' invoices and failure to obtain performance securities from providers in five procurements worth UGX 1.87 Bn, and failure to appoint contract managers for three procurements worth UGX 752.7 million.

(iii) HCMS implementation wasn't comprehensive as it was scoped to cover only 248 votes, in a three-phase manner, despite having 359 votes (as of January 2023). The integration between HCM and Integrated Financial Management System (IFMS) is incomplete.

(iv) I observed gaps in recruitment of temporary staff due to lack of approved policies to guide their recruitment and use.

(v) Lack of approved IT structures to steer and oversee ICT implementation. Absence of ICT governance structures hampers formulation of appropriate ICT policies, strategies and real time upgrade of ICT interventions.

(vi) Failure to meet the NTR targets by respective MDAs due to unrealistic forecasting assumptions. Out of UGX 1.796Tn planned NTR, UGX 1.472Tn was collected, resulting in a shortfall of UGX 0.324Tn representing 18.04% of the approved NTR budget.

(vii) URAs' tax payer data base not regularly updated. Potential taxpayers in the Informal Sector and Agriculture sectors were left out.

(viii) Unrealized project support to a tune of UGX 3.101Tn. From the total unrealized funds, UGX.1. 064.Tn representing 50.89% was on grants and UGX2.038 Bn representing 44.05% was on the loan component. The poor performance by the project support is attributed to slow progress of the implemented projects.

(ix) Parliament appropriated UGX 5,157.331 Bn to the selected entities out of which UGX 4,579.963 Bn was warranted resulting into 88.8% performance of the appropriated revenue. The utilization of warrants by the selected entities was 99.51%.

(x) With the exception of URA, the internal audit function of selected entities did not automate the internal audit processes to ensure efficiency and transparency in the conduct of internal audit activities. It was also noted that internal audit reports do not include results on assurance of the efficiency, effectiveness and economy of the administration of the programmes and operations of assessed entities.

(xi) Five entities (URA, MOFPED, MOWE, MoWT, and MoH) lacked clear updates and follow-up mechanisms on tracking the progress of domesticated SDGs. There was no SDG reported data on the progress of SDG targets and proof of reports submitted to the SDG secretariat under OPM.

(xii) Although it was noted that Uganda has a National Policy for Disaster Preparedness and management, no Legal framework was found to exist to enforce the key provisions of this policy.

Audit recommendations

a) Macroeconomic policy, Fiscal policy and Strategic budgeting

(i) MoFPED in consultation with URA should develop a policy to guide revenue forecasting.

I advised the PSST to;

(i) Put in place measures to effectively implement the medium term Debt Management Strategy (2022/2023-2025/2026) to ensure that level of public debt remains sustainable both in the medium and long term.

(ii) Prioritize discussing the results of the Budget sensitivity analysis with all the relevant stakeholders specifically Parliament so as to ensure that the Parliamentary Budget Committee is adequately sensitized on the relevance of the fiscal risk statement to facilitate an evidence based budget approval process.

(iii) Consider discussing the results of the Budget sensitivity analysis with relevant stakeholders to ensure that the parliamentary budget committee is sensitized on the relevance of the fiscal risk statement during budget approval process.

(iv) Consider including exchange rates, interest rates and level of employment as assumptions in the forecasting model.

(v) Ensure that a statement for deviations between Medium Term forecasts and actual performance is included in the BFP at the time of preparing the budget.

(vi) Liaise with NPA and respective Accounting Officers to evaluate the possibility of regular review of the strategic planning documents (strategic plan, PIAP) to ensure that their MTEF ceilings are aligned with BFP projections in the medium term.

(vii) Put in place measures that will adequately meet funding requirements of the Contingency Fund as required by Law.

(viii) Expedite the review of the approval process of the supplementary budgets to ensure there is a corresponding source of funding for any approved supplementary funding to avoid budget distortion.

b) **Budget Preparation**

(i) NPA should conduct evidence-based cost study to inform Government of the funding requirement needed over the NDP period to implement the entities' strategic interventions and facilitate achievement of the programme outcomes. The cost study by NPA should form the basis for the MTEF ceilings by MOFPED during preparation of key policy Government.

(ii) I advised NPA and MOFPED to ensure that where revenue forecasts may not be sufficient to fund implementation of some strategic programme interventions in line with the cost study estimates due to limited resource envelop, a commitment should be made before plan implementation on unfunded priorities in the medium term to prevent actions such as budget repurposing/ reprioritization that may affect budget credibility/ lead to budget distortions.

c) **Budget Approval**

(i) I advise the SDG secretariat under the OPM to review the National SDG Implementation Road Map (2020/21 – 2024/25) and provide specific guidance to MALGs on planning and budgeting, Monitoring and Evaluation of the SDG Interventions.

(ii) The PSST should ensure that the Accounting Officers regularly update the domestic arrears IFMS module with verified figures to inform national planning and budgeting for arrears.

(iii) The PSST should ensure that the recommendations of the budget committee and other committees of Parliament are complied with.

(iv) The PSST should engage Parliament to ensure that the necessary amendments to the PFMA and the PFM Regulations are made to support the implementation of the programmatic approach to planning and budgeting.

(v) Capacity building including more sensitization and/or trainings should be undertaken with members of Parliament in order to equip them with skills for scrutinizing program based budgets as well as secure their full support and appreciation of the reform.

d) **Financial Management and Service Delivery**

(i) The PSST was advised to fast track the full rollout of the e-GP procurement automation and review of procurement laws to address the inefficiencies in the procurement process.

(ii) The PSST was advised to fast track the rollout of the HCM system covering all categories of staff. Consideration should be made to provide for a two-way communication between IFMS and HCM system.

(iii) Accounting Officer of URA was advised to enhance Human resource policies to provide for recruitment, management and exit of contract staff.

(iv) The Accounting Officers of MoWT, MoWE and MoH were advised to develop and implement the IT policies in order to strengthen the IT governance structures.

(v) The PSST was advised to make NTR revenue forecasting more consultative so as to arrive at realistic estimates to facilitate revenue mobilization and collection.

(vi) The respective Accounting Officers were advised put measures in place to ensure that project management is effective to avoid any delays in project implementation so as to progressively realize project support.

(vii) The Accounting Officer of URA was advised to initiate measures to regularly update the taxpayer database to enhance its completeness and reliability.

(viii) The PSST was advised to regularly review strategies to increase domestic revenue collections to sustainably fund the ever increasing needs of Government and review the legal framework on supplementary expenditure to minimize budget distortions.

(ix) I advised the PSST to build capacity of staff in the Office of the Internal Auditor General should to provide assurance services on the efficiency, economy and effectiveness of the administration of the programmes and operations of Government entities.

(x) The PSST was advised to ensure automation of the internal audit processes in line with the Government digital transformation strategy of ensuring automation of Government processes to facilitate efficiency, transparency and accountability.

(xi) The Accounting Officers should engage the SDG secretariat under OPM to clearly domesticate and define SDG indicators/ targets on the allocated Goals under NDP

III programme to facilitate routine data collection, analysis and reporting on progress of the SDG targets by MDAs through the SDG secretariat.

Overall audit conclusion

The overall average Government PFM system performance based on the selected entities during the financial year 2022/23 was **3.0** out of the desired performance target grade of **4.0** which is fairly satisfactory performance. This implies that the Government needs to review the PFM reforms and address the areas of improvement identified to realize the intended objectives as outlined in the national PFM reform strategy and the National Development Plan.

4.3 ENGINEERING/PUBLIC WORKS AUDITS

I undertook and completed seven (07) Engineering /Public Works audits during the period of reporting as summarised in the Table below.

Table 42: Table showing Engineering /Public Works audits during the period of reporting

SN	Engineering/Public Works Audits	Value of Contracts /Works Audited (UGX) Bn	No of Projects (Water, Roads, Bridges and Buildings)	No of Audit Reports
1	Value for Money Audit/Assessment on Selected Urban Infrastructure Projects Implemented by the Uganda Support to Municipal Infrastructure Development Additional Financing Program (USMID-AF) Participating Municipal Councils and Cities in the Financial Year 2019/2020	55.91	105	23
2	Value for Money Audit/Assessment on Selected Urban Infrastructure Projects Implemented by the Uganda Support to Municipal Infrastructure Development Additional Financing Program (USMID-AF) Participating Municipal Councils and Cities in the Financial Year 2020/2021	48.89	118	23
3	Technical Engineering audit of infrastructure projects implemented by MAAIF under the ACDP	23.07	14	1
4	Engineering audit of a selected sample of infrastructure projects implemented by OPM in the FY 2020/21 and 2022/23	13.75	15	1

SN	Engineering/Public Works Audits	Value of Contracts /Works Audited (UGX) Bn	No of Projects (Water, Roads, Bridges and Buildings)	No of Audit Reports
5	Special Audit on Alleged Mismanagement of Funds for Kanara Water Supply Project in Kitagwenda District (Phase II &III) and Kikazi-Ntara Road	1.15	3	1
6	Engineering Audit and assessment of Infrastructure projects implemented by 73 Local Governments under the UgIFT Program for Construction of Seed Schools and Health Facilities in the Education and Health Sectors	153.98	105	74
Total		**296.75**	**360**	**123**

The key findings are presented below:

4.3.1 Engineering Audit on a Selected Sample of Infrastructure Projects Implemented by the Ministry of Agriculture Animal Industry and Fisheries (MAAIF) under the Agriculture Cluster Development Project (ACDP)

According to documentation availed, MAAIF indicated that under ACDP, a total of 56 road rehabilitation contracts across 71 Local Governments had been implemented with contracts amounting to UGX. 63,018,260,301 (VAT exclusive).

I undertook an engineering audit on a sample of fourteen (14) projects across 17 Local Governments worth UGX. 23,072,512,901 (VAT exclusive) representing 36.6% of the total value of the contracts.

Below is a summary of key findings and observations resulting from the engineering audit.

(i) Failure to Conduct Detailed Designs

Apart from the Kumi project where a design review was carried out, no detailed designs were undertaken for the roads on all the other thirteen (13) projects. In addition, I was not availed geotechnical investigation reports for the bridge and box culverts constructed in Ntungamo, Kumi, Bukwo and Kabarole Districts

Failure to conduct detailed designs can lead to the implementation of activities that do not address the initial road conditions while failure to undertake geotechnical investigations can lead to the adoption of foundations that are not suitable for the existing ground conditions.

I advised the Accounting Officer to ensure that for future projects of similar nature, detailed designs are conducted

(ii) Procurement Issues

On three (3) of the fourteen (14) contracts, I noted some issues arising from my review of the procurement of the works contractors as detailed below;

- In Amuru DLG, after arithmetic checks and corrections, the evaluation team communicated and recommended Wilen Construction (U) Limited as the best evaluated bidder with a bid price of UGX.2,181,140,717 inclusive of VAT and contingency. However, the contract agreement indicated that the contract price was UGX.2,561,356,046 VAT inclusive. No justification was provided for the variance of UGX.380,215,329

- In Isingiro DLG, the evaluation team did not correct the arithmetic error of UGX.166,837,000

- In Kapchorwa DLG, the bid security of the winning bidder expired before the extended bid validity period requested by the client

These procurement irregularities can lead to challenges during project implementation

I advised the Accounting Officer to ensure that going forward, the evaluation teams adhere to the relevant procurement guidelines

(iii) Expiry of Performance and Advance Payment Guarantees

I established that apart from the Kamwenge Project, the performance guarantees for all the other thirteen (13) works projects expired prior to completion of the works contrary to the contract requirements

In addition, I noted that the advance payment guarantees for five (05) projects expired prior to recovery of advance worth UGX. 2,716,467,669 as detailed in the table below;

Table 43: Table showing advance payment guarantees for five (05) projects expired prior to recovery of advance worth UGX. 2,716,467,669

SN	Project	Un Recovered Advance [UGX]
1	Rehabilitative works on 3km of farm access roads in Ongino sub county, Kumi district.	1,541,679,717
2	Rehabilitative works on 13km of farm access roads in Kapchorwa district	339,355,870
3	Rehabilitative works on bottlenecks (chokes) on 29km of farm access (Menziro –Kateera 14.5) in Kakuto Subcounty and Kasanvu Kyakatuma Kamuli Rd 14.9km, Kyeere subcounty roads in Kyotera District	152,166,097
4	Rehabilitative works on 26km of farm access roads in Kasanda and Mubende districts	517,650,738

SN	Project	Un Recovered Advance [UGX]
5	Rehabilitative works on 7.8km of farm access roads in Mpigi district	165,615,247
		2,716,467,669

Failure to maintain a valid performance and advance payment guarantee constitutes a fundamental breach of contract and exposes the client to the risk of financial loss in the event the contractors fail to perform.

I advised the Accounting Officer to always ensure that contractors maintain valid guarantees as contractually required.

(iv) Delayed Completion of Works

At the time of audit, I noted that the completion of works on ten (10) projects had been delayed with delays ranging from 57 to 480 days. The details for the delays and are presented below;

Table 44: Table showing delayed completion of works on ten projects

SN	Project	Delays [No of Days]
1	Rehabilitative works on bottlenecks (chokes) on 11km of farm access roads in Bukwo district.	57
2	Rehabilitative works on 3km of farm access roads in Ongino sub county, Kumi district.	210
3	Rehabilitative works on 24.3km of farm access roads in Kabale district	427
4	Rehabilitative works on 42km of farm access roads in Bunyagabu and Kaborole districts	121
5	Construction of a 20m two Span bridge in Ntungamo district	476
6	Rehabilitative works on 13km of farm access roads in Kapchorwa district	156
7	Rehabilitative works on 13.3km of farm access roads in Isingiro district.	413
8	Rehabilitative works on bottlenecks (chokes) on 17.7km of farm access roads in Kabonera, Kyasiga, and Kyanamukaka Sub county in Masaka district	480
9	Rehabilitative works on bottlenecks (chokes) on 29km of farm access (Menziro –Kateera 14.5) in Kakuto Subcounty and Kasanvu Kyakatuma Kamuli Rd 14.9km, Kyeere subcounty roads in Kyotera District	335
10	Rehabilitative works on 26km of farm access roads in Kasanda and Mubende districts	186

Delayed completion of works denies intended users timely usage of the infrastructure

I advised the Accounting Officer to put in place measures to ensure that works are accelerated and completed. In addition, liquidated damages should be computed and charged to the contractors

(v) Delayed Payment of Contractors

I reviewed the availed documentation and established that there were delays ranging from 95 to 628 days in effecting payment of some of the IPCs to contractors on seven

(07) of the projects. Arising from these delays, contractors are entitled to interest from the delayed payments. In the event the interest is claimed for, this shall constitute a financial loss of UGX.1,488,476,319 as detailed in the table below;

Table 45: Table showing delayed contractor payments attracting interest

SN	Project	Delays in Payment (No of Days)	Interest from Delayed Payment (UGX)
1	Rehabilitative works on 24.3km of farm access roads in Kabale district	443	309,173,445
2	Rehabilitative works on 42km of farm access roads in Bunyagabu and Kaborole districts	139	50,401,961
3	Construction of a 20m two Span bridge in Ntungamo district	628	237,815,136
4	Rehabilitative works on 13.3km of farm access roads in Isingiro district.	535	614,448,030
5	Rehabilitative works on bottlenecks (chokes) on 17.7km of farm access roads in kabonera, Kyasiga, and Kyanamukaka Sub county in Masaka district	221	129,341,694.11
6	Rehabilitative works on bottlenecks (chokes) on 29km of farm access (Menziro –Kateera 14.5) in Kakuto Subcounty and Kasanvu Kyakatuma Kamuli Rd 14.9km, Kyeere subcounty roads in Kyotera District	340	88,622,481.29
7	Rehabilitative works on bottlenecks (chokes) on 37km of farm access roads in Kamwenge district	95	58,673,572
			1,488,476,319.4

Delayed payment of contractors negatively affects their cash flow affecting timely completion of works. In addition, this exposes the project to risk of financial loss resulting from interest payments on delays

I advised the Accounting Officer to investigate the causes of delayed payment and put in place measures to address them.

(vi) Stoppage of Works

During the inspection of the works, I observed that contractors had stopped works on the six sites of Bukwo, Kabale, Ntungamo, Kapchorwa, Isingiro and Kabarole, as works remained incomplete but with no physical evidence of presence of the contractors. In addition, documentation availed to me indicated that the contractor for Kumi had earlier stopped works for two months.

Stoppage of works delays the completion of the intended works

I advised the Accounting Officer to further investigate the reasons for the stoppage of the works and ensure that these are remedied so as to achieve completion of works

(vii) Irregular/Unjustified/Questionable Payments/Certifications

On twelve (12) of the fourteen (14) contracts, I found various payments on that I considered irregular, unjustified and/or questionable due to the absence of documents supporting these payments, use of wrong rates for payment and payments for unexecuted works totalling **UGX. 582,143,144** as presented in the following table;

Table 46: Table showing unjustified/questionable payments to contractors

SN	Project	Irregular/ Unjustified/ Questionable Payment [UGX]	Remarks
1	Rehabilitative works on bottlenecks (chokes) on 11km of farm access roads in Bukwo district.	4,500,000	Unsupported payments relating to site meetings with communities and accommodation of traffic
2	Rehabilitative works on 24.3km of farm access roads in Kabale district	16,500,000	Unsupported payments relating to site meetings, sign posts, workman's compensation, C-ESMP activities
3	Rehabilitative works on 42km of farm access roads in Bunyagabu and Kabarole districts	76,000,000	Unsupported payments relating to C-ESMP activities, site meetings, material testing, workman's compensation
4	Rehabilitative works on 13km of farm access roads in Kapchorwa district	51,766,150	Payment of VAT as part of advance
5	Rehabilitative works on road chokes in Amuru District	39,700,000	Unsupported payment for performance bond, workman's compensation, material testing, meetings with local communities.
6	Rehabilitative works on 13.3km of farm access roads in Isingiro district.	9,750,000	Unsupported payment for c-ESMP activities, , site meetings with local communities
7	Rehabilitative works on bottlenecks (chokes) on 17.7km of farm access roads in kabonera, Kyasiga, and Kyanamukaka Sub county in Masaka district	91,785,125	Unsupported payment for contingencies, performance bond, workman's compensation, c-ESMP activities, sign posts and site meetings with local communities
8	Rehabilitative works on bottlenecks (chokes) on 29km of farm access (Menziro –Kateera 14.5) in Kakuto subcounty and Kasanvu Kyakatuma Kamuli Rd 14.9km, Kyeere subcounty roads in Kyotera District	54,897,786.	Unsupported payment for contingency, insurance and bonds, workman's compensation, c-ESMP activities, and site meetings with local communities. Use wrong rate for payment of excavation to depth of 1m
9	Rehabilitative works on 28km of farm access roads in Butebo and Pallisa districts	71,000,000.	Unsupported payment workman's compensation, c-ESMP activities, material testing and site meetings with local communities

SN	Project	Irregular/ Unjustified/ Questionable Payment [UGX]	Remarks
10	Rehabilitative works on 26km of farm access roads in Kasanda and Mubende districts	80,600,000.	Use of wrong rate for payment of Armco culverts, unsupported payments for workman's compensation, material testing, site meetings with local communities, c-ESMP activities
11	Rehabilitative works on 7.8km of farm access roads in Mpigi district	63,644,083	Unsupported payments for contingency, c-ESMP activities, tree planting
12	Rehabilitative works on bottlenecks (chokes) on 37km of farm access roads in Kamwenge district	22,000,000	Unsupported activities for workman's compensation, material testing, site meetings, c-ESMP activities and additional foundation investigations
	TOTAL	**582,143,144**	

Irregular/unjustified payments expose the client to the risk of financial loss
I advised the Accounting Officer to conduct further review of these payments and take appropriate action

(viii) Inspection of the Works

I inspected all the fourteen (14) sites between 28th August and 22nd September 2023. During the physical inspection of the works, I observed the following omissions and defects on the sites;

Table 47: Table showing sites inspected with omissions or defects on site

SN	Project	Observation
1	Rehabilitative works on bottlenecks (chokes) on 11km of farm access roads in Bukwo district.	Unjointed culverts, absence of concrete bedding, broken aprons, cracks in backfill material at box culvert, absence of weep holes on wing walls, irregular of end structures, use of black cotton soil to backfill box culvert
2	Rehabilitative works on 3km of farm access roads in Ongino sub county, Kumi district.	Honey combing of concrete structures
3	Rehabilitative works on 24.3km of farm access roads in Kabale district	Depressions, un-motorable sections, un-cleared excavated rock
4	Rehabilitative works on 42km of farm access roads in Bunyagabu and Kaborole districts	Cracked headwalls, loose backfill material, unjointed and misaligned culverts, gravel loss, scoured aprons
5	Construction of a 20m two Span bridge in Ntungamo district	Absence of approach slab, improper backfill, non-uniform distribution of weep holes
6	Rehabilitative works on 13km of farm access roads in Kapchorwa district	Un-cleared rock outcrops, absence of side drains, ponding and absence of road camber

SN	Project	Observation
7	Rehabilitative works on road chokes in Amuru District	Potholes, blocked pipe culverts, gravel loss, collapsed culvert, broken culvert apron, cracked headwalls
8	Rehabilitative works on 13.3km of farm access roads in Isingiro district.	Potholes, gullies, silted side drains, cracked head walls
9	Rehabilitative works on bottlenecks (chokes) on 17.7km of farm access roads in Kabonera, Kyasiga, and Kyanamukaka Sub county in Masaka district	Loss of camber, absence of scour checks on some roads, gullies, gravel loss, poorly placed culvert end structures, misaligned culverts
10	Rehabilitative works on bottlenecks (chokes) on 29km of farm access (Menziro –Kateera 14.5) in Kakuto subcounty and Kasanvu Kyakatuma Kamuli Rd 14.9km, Kyeere subcounty roads in Kyotera District	Cracked culverts, damaged headwalls, collapsed culvert, unjointed culverts, heavily silted culverts
11	Rehabilitative works on 28km of farm access roads in Butebo and Pallisa districts	Loose material around culverts, silted culverts
12	Rehabilitative works on 26km of farm access roads in Kasanda and Mubende districts	Absence of concrete bedding, gullies, unjointed culverts, cracked headwalls, deformed Armco culvert
13	Rehabilitative works on 7.8km of farm access roads in Mpigi district	Unjointed culverts, absence of concrete bedding
14	Rehabilitative works on bottlenecks (chokes) on 37km of farm access roads in Kamwenge district	Absence of scour checks, gravel loss, cracked headwalls, rutting, un compacted gravel

I advised the Accounting Officer to ensure that all the above observed defects and/or omissions are rectified

(ix) Implementation of Environmental, Health, Social and Safety Measures

During the physical inspection of the works, I noted that on ten (10) projects there were incidences of inadequate implementation of environmental, health, social and safety measures as detailed below;

Table 48: Table showing incidences of inadequate implementation of environmental, health, social and safety measures

SN	Project	Observation
1	Rehabilitative works on bottlenecks (chokes) on 11km of farm access roads in Bukwo district.	Unsafe traffic diversion at box culvert, unsafe vertical cut, no warning tape around deep excavations
2	Rehabilitative works on 3km of farm access roads in Ongino sub county, Kumi district.	Absence of toilet facility and first aid box on site, combination of firewood kitchen and workers accommodation, shared and open bathroom, inadequate PPE's for the workers

SN	Project	Observation
3	Rehabilitative works on 42km of farm access roads in Bunyagabu and Kaborole districts	Poor disposal of construction waste, unrestored borrow pits
4	Rehabilitative works on 13km of farm access roads in Kapchorwa district	Poor disposal of cut material, absence of warning signage for excavations
5	Rehabilitative works on road chokes in Amuru District	Absence of safety guard rails
6	Rehabilitative works on bottlenecks (chokes) on 17.7km of farm access roads in kabonera, Kyasiga, and Kyanamukaka Sub county in Masaka district	Unrestored borrow pits
7	Rehabilitative works on bottlenecks (chokes) on 29km of farm access (Menziro –Kateera 14.5) in Kakuto Subcounty and Kasanvu Kyakatuma Kamuli Rd 14.9km, Kyeere subcounty roads in Kyotera District	Unrestored borrow pits
8	Rehabilitative works on 28km of farm access roads in Butebo and Pallisa districts	Unrestored borrow pits, diversion of water to borrow pits
9	Rehabilitative works on 26km of farm access roads in Kasanda and Mubende districts	Unrestored borrow pits
10	Rehabilitative works on 7.8km of farm access roads in Mpigi district	Unrestored borrow pits

Failure to implement adequate environmental, social, health and safety measures can lead to environmental degradation as well as increasing the risk of injuries in the event of accidents

I advised the Accounting Officer to ensure that contractors fully implement all the required environmental, health, social and safety measures during the execution of works

(x) Quality of Works and Materials

a) Concrete Members

I checked the quality of the concrete members on 5 projects and noted that some of the tested concrete elements did not meet the expected minimum compressive strength. These are detailed below;

Table 49: Table showing works where concrete elements did not meet the expected minimum compressive strength

SN	Project	Failed Elements
1	Rehabilitative works on bottlenecks (chokes) on 11km of farm access roads in Bukwo district.	Wing wall RHS, Side wall LHS, Middle wall, Top Slab, Side wall RHS
2	Rehabilitative works on 3km of farm access roads in Ongino sub county, Kumi district.	PC-01 @ 0+164 End structure, PC-02 @ 0+469 End structure, and Encasement, PC-03 @ 0+571 End structure, PC-04 @ 0+834 End structure, BC @ 1+083, BC @ 0+918
3	Rehabilitative works on 42km of farm access roads in Bunyagabu and Kaborole districts	Cell – 2 wing wall LHS, Cell – 2 upper slab, Cell – 1 wall, Cell – 2 wall, Stem

SN	Project	Failed Elements
4	Construction of a 20m two Span bridge in Ntungamo district	Abutment 1 Wing wall (LHS), Pier footing, Abutment 2 wing wall (LHS),
5	Rehabilitative works on road chokes in Amuru District	Concrete Wing walls (RHS), Concrete Wing walls (LHS), Concrete Wing walls (LHS), Concrete Wing walls (RHS), Concrete Wing walls (RHS), Concrete wing walls (LHS)
5	Rehabilitative works on bottlenecks (chokes) on 37km of farm access roads in Kamwenge district	Wing wall 1 LHS, Top Slab, Middle wall, Wingwall 2 RHS

Failure to meet the required concrete strength can compromise the functionality and durability of the concrete elements

I advised the Accounting Officer to conduct further tests on the failed concrete elements and in the event of failure, take appropriate remedial measures

b) Gravel and Coarse Aggregates

I collected samples of gravel and coarse aggregates from nine (9) projects and conducted laboratory tests on these. I noted that;

- Apart from the gravel used on the Kumi project, the gravel used on all the other eight (8) projects did not meet the specifications for some of the parameters tested.
- The coarse aggregates from the Kumi project did not meet the specifications for some of the parameters tested

The summary of the failed parameters per project is presented in the table below;

Table 50: Table showing projects with failed parameters of Gravel and course aggregate

SN	Project	Material	Tested Parameters that Failed	Effect
1	Bukwo	Gravel	Gradation, PI, SP, GC	• Slippery road especially in rainy seasons
2	Kumi	Coarse Aggregates	Gradation	• Failure to achieve required concrete strength due to poor interlocking ability
3	Bunyagabu and Kaborole	Gravel	Grading, PI, SP,CBR	• Gravel used is predominantly silt/clay therefore unsuitable for use • Slippery road during rainy seasons • Limited ability to sustain traffic loads
4	Amuru	Gravel	PI, GC and Grading	• Gravel used is predominantly sandy • Raveling of the road surface
5	Masaka	Gravel	Gradation, GC and PI	• Gravel used is predominantly sandy

SN	Project	Material	Tested Parameters that Failed	Effect
				• Raveling of the road surface
6	Kyotera	Gravel	Gradation and GC	• Raveling of the road surface
7	Butebo and Pallisa	Gravel	Gradation, PI and GC	• Gravel used is predominantly sandy • Raveling and corrugation of the road surface • Slippery road during rainy seasons
8	Kasanda and Mubende	Gravel	Gradation, GC and SP	• Gravel used is predominantly sandy • Raveling of the road surface • Slippery road during rainy seasons
9	Mpigi	Gravel	Gradation and GC	• Raveling of the road surface • Slippery road during rainy seasons

I advised the Accounting Officer to ensure that the performance of the roads is monitored and in the event of poor performance corrective measures should be implemented

(xi) Quantity Verifications

At the time of audit, certification of works had been undertaken in eleven (11) out of the fourteen (14) sampled contracts. I undertook an analysis of the drawings availed to me and also physically measured some of the executed work items to establish the consistency with which the supervision team accurately measured the quantities during certification. I noted inconsistencies in some of the quantities certified in all the ten (10) contracts resulting in over certifications/overpayments equivalent to **UGX. 827,157,114** as shown in the table below;

Table 51: Table showing inconsistencies in some of the quantities certified in all the ten (10) contracts

SN	Project Name	Over Payment/ Over Certification [UGX]
1	Rehabilitative works on bottlenecks (chokes) on 11km of farm access roads in Bukwo district.	170,914,174
2	Rehabilitative works on 42km of farm access roads in Bunyagabu and Kabarole districts	65,097,660
3	Rehabilitative works on 24.3km of farm access roads in Kabale district	0
4	Rehabilitative works on road chokes in Amuru District	93,812,160
5	Rehabilitative works on 13.3km of farm access roads in Isingiro district.	21,140,000
6	Rehabilitative works on bottlenecks (chokes) on 17.7km of farm access roads in kabonera, Kyasiga, and Kyanamukaka Sub county in Masaka district	107,664,630

SN	Project Name	Over Payment/ Over Certification [UGX]
7	Rehabilitative works on bottlenecks (chokes) on 29km of farm access (Menziro –Kateera 14.5) in Kakuto Subcounty and Kasanvu Kyakatuma Kamuli Rd 14.9km, Kyeere subcounty roads in Kyotera District	98,388,200
8	Rehabilitative works on 28km of farm access roads in Butebo and Pallisa districts	21,096,315
9	Rehabilitative works on 26km of farm access roads in Kasanda and Mubende districts	179,900,900
10	Rehabilitative works on 7.8km of farm access roads in Mpigi district	54,003,075
11	Rehabilitative works on bottlenecks (chokes) on 37km of farm access roads in Kamwenge district	15,140,000
	Total	**827,157,114**

These overpayments/over certifications if not recovered shall result into a financial loss to the project

I advised the Accounting Officer to ensure that the overpayments/over certifications are recovered.

(xii) <u>Supervision of Works</u>

Documentation availed by MAAIF indicated that UGX. 7,334,158,240 had been disbursed to the seventeen (17) sampled local governments. Audit was however not availed with a breakdown of how the funds were to be spent by the respective local governments or accountability submitted by the local governments to MAAIF. Consequently, audit could not confirm the amounts allocated for facilitation of district staff supervising the works.
During the physical inspection of the works, the district staff supervising the works indicated that they were not being facilitated to supervise the works

Failure to facilitate the district supervision staff negatively affects their ability to adequately supervise the works which compromises the quality of the works.

I advised the Accounting Officer to ensure that guidance to local governments is issued on how the disbursed funds are to be spent on the different project components. In addition, the Ministry should ensure that the funds spent are accounted for.

4.3.2 Engineering Audit on a Selected Sample of Infrastructure Projects Implemented by the Office of the Prime Minister (OPM) in Financial Years 2020/2021 and 2022/2023

During the financial years 2020/21 and 2022/23, the OPM indicated that it had implemented 389 public works projects whose contracts amounted to UGX.213,126,265,875 under DRDIP and 4 public works projects whose contracts amounted to UGX.844,293,145 for the Busoga portfolio.

A sample of thirteen (13) projects worth UGX.13,186,754,026 under DRDIP representing 6% of the total value of the projects and two (2) projects worth UGX.564,328,705 under Busoga portfolio representing 67% of the total value of the projects were audited

a. Design Omissions

I reviewed the design reports, drawings and BoQs availed and noted that for seven (7) out of the fifteen (15) contracts, there were a number of omissions in the designs which could compromise the performance and safety of the constructed infrastructure as detailed below;

Table 52: Table showing contracts with omissions in the designs which could compromise the performance and safety of the constructed infrastructure

SN	Contract	Omissions
1	Construction of Osu Bridge on Ombaci-Oduluba Road	• relief culverts • filter layer at the far face of culvert walls • speed calming measures at approach roads • water proofing on far faces of abutment walls Consideration of direction of flow of the river
2	Extension of piped water from Itula to Lomunga Parish and distribution	• Structural and hydraulic analysis of the components • No water quality tests done during design • Washouts valves and chambers • Pipeline marker posts • Gate Valves and chambers
3	Constriction of 01 administration block, 3 blocks of 5 stances drainable latrine in Kasenyi-Lyato primary school.	• Fire safety/protection measures
4	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine(Teachers), one block of class room, a head teachers' office and staff room. In Nyamasoga primary school.	• Fire safety/protection measures
5	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine, one block of class room, a head teachers' office and staff room in Tonya primary school	• Fire safety/protection measures
6	Construction of 15 meters single span bridge at Oru River	• Hydraulic design omitted the impact of erosion on the approach road embankments and river banks • omitted mitre drains and culvert crossings along the approach roads

SN	Contract	Omissions
		• did not consider the direction of flow of the river as the bridge was not skewed
7	Construction of two classroom blocks, one with an office and store, construction of a 5 stance VIP latrine for girls, construction of a 2 stance VIP lined latrine for Teachers at Bwondha P/S	• Fire safety/protection measures

I advised the Accounting Officer to re-evaluate the above omissions and take appropriate corrective measures. In addition, going forward, designs prepared should thoroughly reviewed by the technical teams so that they adequately consider all aspects required

b. Procurement Issues

On six (6) of the fifteen (15) contracts, I noted a number of issues arising from my review of the procurement of the works contractors as detailed below;

- The successful bidder for the extension of piped water from Itula to Lomunga Parish did not provide CVs of key personnel
- There were changes in the evaluation criteria during the evaluation of bids for full rehabilitation of Siriba-Kalwala_Kiryampungula Road (11.3km) and Tete Ogolo-liri road 15km
- The best evaluated bidder for works at Kasenyi-Lyato did not provide the required work method statement and his proposed Quantity Surveyor was passed despite not having the required 4 years' experience
- The best evaluated bidder for Biyaya Secondary School had a work method relating to a waste treatment plant and faecal sludge treatment plants which did not constitute scope of works
- During the evaluation of bids for construction of the 15m single span bridge at Oru River, the bid for one of the bidders, Multex (U) Ltd, despite being submitted on time was never opened claiming late submission

Inadequacies during the procurement process can result in the procurement of contractors with inadequate capacity to execute the works

I advised the Accounting Officer to ensure that going forward, the evaluation teams adhere to the relevant procurement guidelines

c. Delayed Completion of Works

I noted delays in completion of the works on seven (7) out of the fifteen (15) contracts ranging from 30 to 182 days. Resulting from these delays, liquidated damages totaling to UGX. 77,200,398.5 should have been charged to the contractors as shown in the table below;

Table 53: Table showing delays in project completion

SN	Contract	Delay (No. of Days)	Uncharged Liquidated Damages (UGX)
1	Extension of piped water from Itula to Lomunga Parish and distribution	168	14,237,152.5
2	Constriction of 01 administration block, 3 blocks of 5 stances drainable latrine in Kasenyi-Lyato primary school.	30	8,556,830.1
3	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine, one block of class room, a head teachers' office and staff room in Tonya primary school	40	25,175,791.2
4	Construction of one block of 1000 capacity Examination Hall and supply at Biyaya Secondary School	46	10,376,233.5
5	Full Rehabilitation of Tete Ogolo-liri road 15km	36	18,840,162.0
6	Construction of two classroom blocks, one with an office and store, construction of a 5 stance VIP latrine for girls, construction of a 2 stance VIP lined latrine for Teachers at Bwondha P/S	182	14,229.2
7	Construction of a Two(2) Classroom Block with Office and Store at Namayemba P/S	179	Full contract was not availed to enable computation
TOTAL			**77,200,398.5**

Delayed completion of works denies intended users timely usage of the infrastructure and failure to charge damages, denies the local government compensation arising from the delayed completion

I advised the Accounting Officer to always ensure that works are completed in time failure of which, liquidated damages are charged to contractors

d. <u>Unjustified Extensions of Time</u>

I noted that extensions of time ranging from 105 to 120 days were awarded to contractors on three (03) contracts in the Local Governments of Arua DLG, Obongi DLG and Adjumani DLG. However, I considered these extensions unjustified because;

- There was no documentation to support some of the reasons given
- There was no evidence of early warning from the contractors as required by the contracts
- There were no detailed computations for the time extensions awarded

Arising from these unjustified extensions of time, UGX.157,299,717 was not charged to the contractors by the respective Local Governments. Unjustified extensions of time lead to delayed completion of the works.

I advised the Accounting Officer to ensure that, extensions of time awarded are adequately supported and properly evaluated by the Project Managers.

e. Unjustified/Irregular Payments

On six (6) out of the fifteen (15) contracts, I found various payments that I considered irregular, unjustified and/or questionable due to the absence of documents supporting these payments, payment for items that do not meet the specifications, payments for unexecuted works and payments contrary to the works specifications totalling UGX. 937,659,325 as presented in the following table;

Table 54: Showing unjustified/irregular payment to contractors

SN	Contract	Unjustified/ Irregular Payment (UGX)	Remarks
1	Construction of Osu Bridge on Ombaci-Oduluba Road	8,650,000.0	• Unsupported Payments for Provisional sums, Environmental protection and Engineers Accommodation
2	Extension of piped water from Itula to Lomunga Parish and distribution	36,021,650.0	• Unsupported payments for Rock excavation, Pressure Testing, Contingency and Transport. • Payment for performance bond contrary to works specifications • Payment for HDPE pipes (500m) that did not meet specifications
3	Constriction of 01 administration block, 3 blocks of 5 stances drainable latrine in Kasenyi-Lyato primary school.	24,750,000.0	• Unsupported payments for insurances, environmental measures and management meetings. • Payment for performance bond, water, lighting for works contrary to specifications
4	Rehabilitation of Kyanyanda – Mbare – Bugango and Endiizi – Mbaare – Omukatojo Road (50.2Km)	850,217,675	• Unsupported payments for Provisional Sums, Day works, Material Tests ordered by engineer and executed works under IPC 3
5	Construction of a mini piped water scheme at Chungambe Trading Center	15,500,000.0	• Unsupported payments for Performance bond, Contractor's all risk insurance policy, Use of contractors survey equipment by the engineer, Pressure testing of and sterilization of water mains
6	Construction of a Two(2) Classroom Block with Office and Store at Namayemba P/S	2,520,000	• Unsupported payment for breaking up of rock • Unsupported doubling of rate for 150mm hardcore bed under splash apron and veranda • Payment of 6 extra windows not executed
TOTAL		**937,659,325**	

Irregular/unjustified payments expose the client to the risk of financial loss

I advised the respective Accounting Officers to conduct further review of these payments and take appropriate action

f. Inspection of the Works

I inspected all the fifteen (15) sites between 28th August and 22nd September 2023. During the physical inspection of the works, I observed the following omissions and defects at the following fourteen (14) sites.

Table 55: Showing omissions and defects at the following fourteen (14) sites.

SN	Project Name	Observations
1.	Construction of Osu Bridge on Ombaci-Oduluba Road	Peeled off roadside hazard stickers, Cracks at joints between walkway ramps and walkway, Segregation of concrete at box culvert top haunch, Cracks in stone pitching mortar, Water ponding on walkway, Gravel loss on approach roads, Rusting of welded guard rail joints.
2.	Extension of piped water from Itula to Lomunga Parish and distribution	Silver paint on surface of solar panels, Hot spots on solar panels, Pump poorly sited, shearing of bolts, rusting of pump fittings, Cracks on pump anchor block, Leakages at several locations, Collapsed soak away pit at tap stand 01, Missing bibs on several tap stands.
3.	Constriction of 01 administration block, 3 blocks of 5 stances drainable latrine in Kasenyi-Lyato primary school.	Dis-jointing of Veranda from external walls, Cracks in the; floor, splash apron, ceiling, external wall, interface of window sill and window, Disjointing of the ramps from the veranda, Unprotected earthing rod
4.	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine, one block of class room, a head teachers' office and staff room in Nyamasoga primary school.	Open ridge, Cracks in the; ramps, terrazzo, floor screed, splash apron, window cills, walls, breaking off of the terrazzo skirting from the wall, Detachment of terrazzo splash apron from the main building, Disintegration of fascia board, Unprotected lightning conductor.
5.	Construction of an OPD at Buhuka Health Centre III.	Cracks in terrazzo of the worktops, splash apron, broken elbow operated taps, Absence of counter tops at reception and dispensing area, Tyrolean render not done on external wall, Missing cabinets in reception area of OPD.
6.	Full Rehabilitation of Siriba-Kalwala_Kiryampungula Road(11.3km)	Cracks on headwalls and wing walls, Broken end structure for access culvert, Disjointed culverts, Access not provided over open drain and missing access culverts.
7.	Rehabilitation of Kyanyanda – Mbare – Bugango and Endiizi –	Heavy siltation of culverts, Poor jointing of culverts, Poor alignment of culverts, Gravel loss, poorly constructed end structures and drop inlets, poor alignment of culverts to

SN	Project Name	Observations
	Mbaare – Omukatojo Road (50.2Km	stream flow profile, damaged apron structure, corrugations on carriage way.
8.	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine, one block of class room, a head teachers' office and staff room in Tonya primary school	Detachment of the terrazzo skirting from the external walls, cracks in the splash apron, floors, open joints on tables supplied, Installed shelves warped.
9.	Construction of a mini piped water scheme at Chungambe Trading Center	Non-functioning gate valve at pump, Cut/vandalized solar panel cables, Vandalized covers to inspection chambers, No water in taps, vandalized gate valve fitting, waterlogged washout valve, rusting of tank stand plates and cut pipes .
10.	Construction of one block of 1000 capacity Examination Hall and supply at Biyaya Secondary School	Leakages in the roof, rusting on the doors and windows, Cracks in the terrazzo in the hall steps, veranda, ramps, splash apron and cabinet work tops, poorly jointed roofing sheets, no window sills, no external skirting, Internal locking system not provided on doors.
11.	Construction of 15 meters single span bridge at Oru River	Poor positioning of weep holes on abutments and wing walls, Poor structure layout and configuration, Unconcealed abutment corners, Poor alignment/profile design of approach roads.
12	Construction of a theatre, 2 units of 2 in one staff houses and fencing at Rugaaga Health Centre IV	Vents not aligned with the window, Inadequate provision for PWD access at entrances and rear exits. Installation of a smaller store window than specified on the theatre block
13.	Full Rehabilitation of Tete Ogolo-liri road 15km	Honey combing on culverts, Cracks on pipe culverts Disjointed culverts, Poor workmanship of end structures Blocked culvert line outlet, Culvert end structures not constructed at Ogolo Junction, Untrained culvert outlets, Washed away outlet apron slabs.
14.	Construction of two classroom blocks, one with an office and store, construction of a 5 stance VIP latrine for girls, construction of a 2 stance VIP lined latrine for Teachers at Bwondha P/S	Poorly installed roofing nails, Cracks along the window reveal, Cracked window glass on the classroom block, Roofing sheet on pit latrine not properly fixed, Wiring is being done on wall surface, Poor sanding of the supplied tables.

If not corrected, the above observed defects and omissions could compromise the durability, safety and functionality of the infrastructure

I advised the Accounting Officer to ensure that all the above observed defects and/or omissions are addressed

g. Quality Control of Works

I evaluated the quality control procedures for the works and established that for eleven (11) out of the fifteen contracts (15), the supervision teams did not test some of the materials used prior to their incorporation into the works as detailed below;

Table 56: Showing projects where the supervision teams did not test some of the materials used prior to their incorporation into the works

SN	Project Name	Materials Not Tested
1.	Construction of Osu Bridge on Ombaci-Oduluba Road	Gravel, Aggregates, Sand, Concrete
2.	Extension of piped water from Itula to Lomunga Parish and distribution	Aggregates, sand, concrete, bricks
3.	Constriction of 01 administration block, 3 blocks of 5 stances drainable latrine in Kasenyi-Lyato primary school.	Concrete, Aggregates, sand, bricks
4.	Full Rehabilitation of Siriba-Kalwala_Kiryampungula Road(11.3km)	Concrete pipe culverts
5.	Rehabilitation of Kyanyanda – Mbare – Bugango and Endiizi – Mbaare – Omukatojo Road (50.2Km	Gravel, culverts, FDT for wearing course, concrete
6.	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine, one block of class room, a head teachers' office and staff room in Tonya primary school	Bricks, sand, aggregates
7.	Construction of a mini piped water scheme at Chungambe Trading Center	Sand, bricks
8	Construction of a theatre, 2 units of 2 in one staff houses and fencing at Rugaaga Health Centre IV	Concrete blocks, sand, aggregates
9	Full Rehabilitation of Tete Ogolo-liri road 15km	Concrete pipe culverts
10	Construction of two classroom blocks, one with an office and store, construction of a 5 stance VIP latrine for girls, construction of a 2 stance VIP lined latrine for Teachers at Bwondha P/S	Aggregates, sand, concrete, bricks
11	Construction of a Two(2) Classroom Block with Office and Store at Namayemba P/S	Aggregates, sand, concrete, bricks

Failure to undertake tests on materials used can lead to the use of substandard materials thereby compromising the quality of works

I advised the Accounting Officer to always ensure that materials used are tested, results reviewed and approved prior to their incorporation into the works

h. Quality of Works and Materials

I checked the quality of the concrete members and/or picked samples of construction materials from all the fifteen project sites and subjected these to laboratory tests. I noted failures of some of the concrete elements and parameters for some of the sampled materials from thirteen (13) project sites. Comparison of audit results to specifications for the project of extension of piped water from Itula to Lomunga Parish could not be undertaken due to absence of specifications;

Table 57: Showing failures of some of the concrete elements and parameters for some of the sampled materials

SN	Project Name	Failures Observed
1.	Construction of Osu Bridge on Ombaci-Oduluba Road	Concrete strength of Curbstones
2.	Extension of piped water from Itula to Lomunga Parish and distribution	Concrete Strength Specifications not availed
3	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine(Teachers), one block of class room, a head teachers' office and staff room. In Nyamasoga primary school.	Concrete strength of Ring beam of classroom block 1, window cills of administration block
4	Construction of an OPD at Buhuka Health Centre III.	Concrete strength of Ring beam
5	Full Rehabilitation of Siriba-Kalwala_Kiryampungula Road(11.3km)	Cracks on headwalls and wing walls, Broken end structure for access culvert, Disjointed culverts, Access not provided over open drain and missing access culverts.
6	Rehabilitation of Kyanyanda – Mbare – Bugango and Endiizi – Mbaare – Omukatojo Road (50.2Km	Gradation and Plasticity Index of gravel
7	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine, one block of class room, a head teachers' office and staff room in Tonya primary school	Concrete strength of Ring beam of administration block, classroom block II
8	Construction of a mini piped water scheme at Chungambe Trading Center	Concrete strength of Concrete fencing poles at pump house and tank
9	Construction of one block of 1000 capacity Examination Hall and supply at Biyaya Secondary School	Concrete strength of Ring beam
10	Construction of 15 meters single span bridge at Oru River	Gradation and organic matter content of sand
11	Construction of a theatre, 2 units of 2 in one staff houses and fencing at Rugaaga Health Centre IV	Gradation, silt and clay content, clay lumps and friable particles of the sand Aggregate Impact Value and Gradation of coarse aggregates Water absorption of concrete blocks
12	Construction of two classroom blocks, one with an office and store, construction of a 5 stance VIP latrine for girls, construction of a 2 stance VIP lined latrine for Teachers at Bwondha P/S	Gradation of coarse aggregates, Water absorption of bricks
13	Construction of a Two(2) Classroom Block with Office and Store at Namayemba P/S	Gradation, fines content, silt and clay content, organic matter of sand

Failure of materials to meet the specifications affects the integrity and durability of the completed works.

I advised the Accounting Officer to ensure that materials that do not fully conform to the specifications are not incorporated in the works.

i. Quantity Verifications

I undertook an analysis of the drawings availed to me and also physically measured 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 in twelve (12) out of the fifteen (15) contracts resulting in overpayments equivalent to UGX. 920,698,009 as shown in the table below;

Table 58: Inconsistencies in some of the quantities certified in twelve (12) out of the fifteen (15) contracts

SN	Contract	Overpayment (UGX)
1	Construction of Osu Bridge on Ombaci-Oduluba Road	153,801,801
2	Extension of piped water from Itula to Lomunga Parish and distribution	19,939,120
3	Constriction of 01 administration block, 3 blocks of 5 stances drainable latrine in Kasenyi-Lyato primary school.	62,248,469
4	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine(Teachers), one block of class room, a head teachers' office and staff room. In Nyamasoga primary school.	116,659,957
5	Construction of an OPD at Buhuka Health Centre III.	10,951,020
6	Rehabilitation of Kyanyanda – Mbare – Bugango and Endiizi – Mbaare – Omukatojo Road (50.2Km	336,991,000
7	Construction of 2 three in one classroom blocks, 01 blocks of 5 stances drainable latrine, one block of class room, a head teachers' office and staff room in Tonya primary school	76,553,167
8	Construction of a mini piped water scheme at Chungambe Trading Center	34,520,355
9	Construction of one block of 1000 capacity Examination Hall and supply at Biyaya Secondary School	5,976,069
10	Construction of a theatre, 2 units of 2 in one staff houses and fencing at Rugaaga Health Centre IV	39,323,780
11	Full Rehabilitation of Tete Ogolo-liri road 15km	17,982,000
12	Construction of two classroom blocks, one with an office and store, construction of a 5 stance VIP latrine for girls, construction of a 2 stance VIP lined latrine for Teachers at Bwondha P/S	45,751,271
TOTAL		**920,698,009**

These overpayments if not recovered shall result into a financial loss

I advised the Accounting Officer to ensure that the overpayments are recovered.

j. Failure to Prepare Quality Progress Reports

I noted that the supervision teams on eight (08) projects prepared poor quality progress reports while on another three (3) projects, no progress reports were prepared. The poor progress reports omitted key information for decision making such as; progress of works, financial progress, mobilization status of contractors, contractual matters, quality control aspects, ESHS issues, etc.

Failure to prepare quality progress reports limits the key stakeholders' ability to make informed decisions regarding the projects.

I advised the Accounting Officer to put in place measures to ensure that the supervision teams prepare quality progress reports

4.3.3 Special Audit on Alleged Mismanagement of Funds for Kanara Water Supply Project in Kitagwenda District (Phase II &III) and Kikazi-Ntara Road

I conducted a special audit to assist the Directorate of Criminal Investigation in investigating the alleged cases of corruption and embezzlement of funds and loss of public resources in Kitagwenda District Local Government in the Financial Year 2020/21.

The special audit was limited to the civil works consisting of the water supply system in Kanara (Phase II and III) and road works for Kikazi Street and Ntara Circular Road in Kitagwenda Town council implemented in the Financial Year 2020/21. Below is a summary of the key findings as per the specific audit objectives;

a) To determine whether Projects were included in the District plans

I established that the construction of Kanara water supply system phase III was included in the district annual procurement work plan for the FY 2020/21, however, I could not determine whether the construction of Kanara water supply system phase II was included in the procurement plan for the FY 19/20 as I was not availed the plan.

I established that the construction of Kikazi Street and Ntara Circular road was conceptualized and approved under the Uganda Road Fund (URF) Board special project for the extended periodic maintenance/tarmacking of 1.0km in March 2020 but was not included in the district procurement plan for the FY 2020/21.

b) To Confirm Whether the Designs for the Works Were Done in Accordance with Sound Engineering Principles

I was not availed the design report for Kanara Water Supply System and consequently I could not confirm whether the designs for the phase II and Phase III works were done in accordance with sound engineering principles.

I noted that the design report prepared by M/s Rock and Dirt Solutions, the design consultant for the construction of Kikazi Street and Ntara Circular road, was questionable as it omitted a number of expected items such as; topographical surveys, hydrological investigations, material investigations, works implementation schedule, etc. There was also no evidence of approval of this design report by Ministry of Works and Transport (MoWT) as was required.

c) **To Establish Whether the Scoping in the BoQs was Based on the Design Requirements for the Works**

In the absence of a design report for the Kanara water supply system, I could not establish whether the scoping in the BoQs availed for phase II and III was based on the design requirements for the works.

Regarding the construction of Kikazi Street and Ntara Circular road, I reviewed the force account estimates prepared by the design consultant and noted the following;

(i) The planned quantities for the construction materials such as bitumen, chippings, stone dust had been inflated to a tune of UGX.66,060,000. At the time of audit inspection in June 2023, I established that the stone chippings had been purchased and as such, UGX.23,520,000 had been spent on quantities in excess of the requirements.

(ii) Based on the analysis undertaken and in the absence of documented justification for the number of days allocated, the planned staff costs were overestimated by UGX.4,440,000.

(iii) Based on the analysis undertaken and in the absence of documented justification for the number of days allocated, the planned labour costs were overestimated by UGX.12,875,000.

(iv) Unjustified estimate of UGX.101,600,000 for fuel and lubricants.

d) **To Determine Whether the Procurement of the Design Consultant, Contractors and Construction Materials Followed the PPDA Act and Regulations**

(i) **Procurement of Design Consultant**

I was not availed any documentation pertaining to the procurement of the design consultant for the Kanara Water Supply Project. As such, I could not determine whether the procurement of the design consultant followed the PPDA regulations and guidelines.

Basing on the documentation availed to me regarding the procurement of the design consultant for the construction of Kikazi Street and Ntara Circular road, I established that the procurement of the consultant generally followed the PPDA regulations and guidelines.

(ii) **Procurement of Works Contractors for Phase II and III of the Water Supply System**

Upon reviewing documentation availed to me, I established that the procurement process for the contractors did not fully follow the PPDA Act and regulations as detailed below;

- I established that for Kanara water supply system phase II, although there was no record of issuance of the bidding document to one of the bidders, Aptech Africa Ltd, the record of receipt of bids indicated that a bid from Aptech Africa Ltd was received and the bid was not rejected at either the preliminary evaluation or the financial evaluation stage contrary to Regulation 66(7) of the PPDA Local Government Regulations 2006.

- I established that for Kanara water supply system phase II, the evaluation team evaluated and compared bids with different work scope elements as well as different quantities for some of the similar work items which is unfair and contrary to the basic principles of procurement set out in section 43 of the PPDA Act.

- During the procurement of the works contractors for phase II and phase III, some of the work items that were included in the initial engineer's estimates were omitted/removed and yet these are required for the completeness of construction. Items omitted/removed included; chlorine dozing equipment, break pressure tanks, air release valves, washouts, etc.

- I also established that for phase III, the generator specifications were changed from 50KVA power rating that was in the original engineer's estimate for the Kanara RGC water supply scheme to 25KVA during preparation of the unpriced BoQs at tender.

(iii) <u>Procurement of Construction Materials for Kikazi Street and Ntara Circular Road</u>

I established that the procurement process for the construction materials did not fully follow the PPDA Act and Regulations as detailed below;

- Whereas Kitagwenda District Local Government had a list of best evaluated bidders for supply of reinforced culverts and stone chippings, I was not availed copies of contracts as well as Local Purchase Orders with these suppliers for the construction materials procured. I established that payments for the materials were made directly to the District Engineer who in turn purchased these materials. This was irregular.

- I established that whereas the contracts committee approved purchase of materials worth UGX.68,500,000, the Town Clerk exceeded the specified amount by approving requisitions for construction materials worth UGX.98,600,000 thereby exceeding the approved amount by UGX.30,100,000.

- I noted that materials worth UGX.98,600,000 consisting of 20/14mm chippings, 14/10mm chippings, and culverts were purchased by the District Engineer based on an unapproved design as there was no evidence of approval of the design by MoWT.

e) To Establish Whether there were Adequate Internal Controls During Implementation and Supervision of Works

(i) Kanara Water Supply System Phase II and III

I established some inadequacies in the internal controls during implementation and supervision of the Kanara water supply system phase II and III as detailed below;

- For both phase II and III, there was no evidence that the contractors submitted performance guarantees as was contractually required.

- Whereas both contracts required the contractors to prepare and submit as-built drawings and maintenance manuals, there was no evidence of this submission. As a result of this failure, a total of UGX.103,915,174 should have been withheld from the contractor's payments however, no evidence of this was availed.

- Whereas both phase II and phase III contracts were admeasurement contracts, there was no evidence of measurement of works as no measurement sheets were availed to me for review. As such, the payment of UGX.127,554,571 for phase II and UGX.171,511,610 for phase III are considered questionable.

- For the phase III contract works, completion of works was delayed by at least 23 months as there was no evidence that a completion certificate had been issued by June 2023. Arising from this delay, liquidated damages of at least UGX.3,450,000 should be charged to the contractor. I was not availed any documented evidence of the Project Manager notifying the contractor of the Client's intention to charge liquidated damages as a result of the delayed completion of works.

- For the phase II contract works, there was no evidence of issuance of a commencement letter and as such I could not establish when works commenced. Additionally, there was no evidence of implementation of contract completion procedures such as issuance of certificate of completion, final account, etc. Consequently, I could not determine whether works were completed as scheduled.
- I noted that M/s Tamsak, the contractor for phase III works did not implement some of the planned works and yet these were paid for. These included marker posts, air valves, washouts, consumer connections and electronic stabilizer.

(ii) Construction of Kitara Street and Ntara Circular Road

I established the following inadequacies in the internal controls during implementation of the project;

- Whereas Kitagwenda District Local Government was expected to transfer the funds to Kitagwenda Town Council expeditiously and intact, the district transferred the first and second tranches of funds after 132 and 182 days respectively.

- Although URF disbursed UGX.300,000,000 to Kitagwenda DLG, only UGX.200,000,000 was transferred to Kitagwenda Town Council. I was not provided with the accountability for the balance of UGX.100,000,000.

- Of the UGX.200m received, Kitagwenda Town Council spent UGX.33,357,000 in excess of the specified 4.5% on operational funds.

(iii) <u>To Confirm Whether Works Meet the Specified Quality Requirements</u>

For Phase II and Phase III works, I was not availed test results for the materials used, certificates of conformance for the pipes used, test reports for the electro-mechanical installations, pressure testing reports for the pipelines as well as water quality test results.

Regarding the materials for the construction of Kikazi Street and Ntara Circular road, I was not availed test results for the culverts purchased while the test results for the 10/14mm chippings were outdated as these were dated September 2017 and yet the purchase for the chippings was made four years later in 2021. During my interview with the District Engineer, he submitted additional results for chippings although these were doubtful due to the following;

- According to the Goods Received Note, the 14/20mm chippings were received on 28 July 2021 and yet the test results for these indicate the date of testing of 30 June 2021

- The test results availed were for stone mastic asphalt works and yet the chippings purchased were intended for a double bituminous surface dressing

- Tests such as Average Least Dimension, TFV-wet that are key for double bituminous surface dressing were not undertaken.

I conducted rebound hammer tests on a sample of the supplied concrete culverts so as to check for the concrete compressive strength and noted that only one out of the eight culverts sampled met the minimum compressive strength.

Additionally, I collected samples of 14/20mm and 10/14mm chippings for laboratory tests. The chippings failed the flakiness index test, average least dimension test and gradation test.

(iv) <u>To Confirm Whether the Constructed Works are in Line with the Physical Specifications and Design Drawings</u>

For the Phase II works, I established that the pressure number and diameter of the borehole pumping mains pipeline were less than what had been specified while for the phase III works, the cable connecting the pump control panel to the pump had a cross-sectional area less than specified. Additionally, I could not confirm whether the pump installed met the requirements as the specification parameters availed were different from those required. This negatively affects the functionality of the water system.

No works had been executed on the Kikazi Street and Ntara circular road project and hence no assessment was conducted.

(v) To Establish Whether there were any Defects and Omissions

During the physical inspection of the Phase II and Phase III works, I observed defects and omissions such as; no washouts and air valves, no consumer connections, missing chamber box covers, etc. while my inspection of the culverts for the road works revealed; cracks, exposed reinforcement mesh and broken edges in some of the culverts. This may lead to government incurring additional costs to replace the defective culverts which is wasteful.

(vi) To Determine whether the Facilities Were Functioning as Intended

At the time of audit inspection in June 2023, the water supply system was not functioning as no water was flowing through the system while no works had been executed on the roads.

(vii) To Determine Whether the Certified and Paid for Works/Services were in Accordance with the Contract

I physically measured the quantities of works executed for the phase II and III water works and compared these to the quantities certified by the Project Manager in the payment certificates. Basing on my comparisons, I established overpayments and payments for unexecuted works totalling to UGX.113,151,849.

Additionally, for the phase II water works, I established irregular payment of UGX.85,050,000 for the pumping mains pipeline that did not meet the specifications while for the phase III works, payment of UGX.7,060,000 for a cable whose cross-sectional area did not meet requirements.

Regarding the road project, I established that UGX.2,266,304 was paid above the recommended amount for the design services. Additionally, I considered the payment of UGX.22,500,000 for the design services as irregular as the design had not been approved by MoWT and there was no evidence that the design consultant had submitted some of the required deliverables such as inception report and preliminary design report.

4.3.4 Engineering Audit on Selected Urban Infrastructure Projects Implemented by the Uganda Support to Municipal Infrastructure Development Additional Financing Program (USMID-AF) Participating Municipal Councils and Cities

Government of Uganda (GoU) represented by Ministry of Lands, Housing and Urban Development (MLHUD) secured an additional financing facility of USD 360 million from the International Development Association (IDA/World Bank) to finance Uganda Support to Municipal Infrastructure Development-Additional Financing (USMID-AF) Program.

The 22 Municipal Councils and Cities participating in the program include; Arua, Gulu, Kitgum, Lira, Apac, Soroti, Moroto, Mbale, Tororo, Busia, Kamuli, Jinja, Lugazi, Entebbe, Hoima, Mubende, Fort Portal, Kasese, Mbarara, Ntungamo, Kabale and Masaka

Financial Year 2019/2020

I conducted an audit on 105 infrastructure projects with a total cost of UGX. 55,910,070,188 implemented in the financial year 2019/2020 across the 22 Cities/Municipal Councils participating in the Uganda Support to Municipal Infrastructure Development Additional Financing Program (USMID-AF). The infrastructure projects consisted of USMID funded and Non- USMID funded projects.

Below is a summary of the Key findings I noted, the details of which are included in the consolidated audit report for the 22 Municipal Councils and the 22 Individual reports issued separately;

- I noted that the completion of four (4) USMID funded projects in the four (4) Municipalities/Cities of Jinja, Gulu, Mbarara and Ntungamo had been delayed beyond the initial completion date with delays ranging from 30 to 311 days. Delayed completion of works denies users timely usage of the infrastructure

- I advised the respective Accounting Officers to put in place measures to ensure that

- I 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 resulting in overpayments of UGX. 123,966,900 on the USMID funded projects and UGX. 78,339,161 on the non USMID funded projects.

- I advised the respective Accounting Officers to ensure that these overpayments are recovered

- For the six Municipalities assessed that implemented USMID funded projects, the assessment of percentage of material results indicated that apart from Mbarara City that availed all the expected material test results and the two (2) Cities of Arua and Jinja that availed partial material test results for the USMID projects, the remaining Municipalities/Cities of Gulu, Kamuli and Ntungamo did not avail any test results for their projects

- During physical inspection of the USMID funded infrastructure works in the six Municipalities/Cities, defects such as cracked asphalt, damaged manholes, non-functional solar lights, etc. were observed on some of the projects in the three Municipalities/Cities of Jinja, Kamuli and Mbarara

- Apart from Mbarara City, all the other remaining Municipalities/Cities of Arua, Gulu, Jinja, Kamuli and Ntungamo did not avail evidence of fulfilment of environmental protection measures such as obtaining approvals for dumpsites, borrow sources, hazardous waste handler, water abstraction, etc.

Financial Year 2020/2021

I conducted an audit on 118 infrastructure projects with a total cost of UGX. 481,891,133,897 implemented in the financial year 2020/2021 across the 22 Cities/Municipal Councils participating in the Uganda Support to Municipal Infrastructure Development Additional Financing Program (USMID-AF). The infrastructure projects consisted of USMID funded and Non- USMID funded projects

Below is a summary of the Key findings I noted, the details of which are included in the consolidated audit report for the 22 Municipal Councils and the 22 Individual reports issued separately;

- I noted that at the time of audit, works on eight (8) USMID funded projects were still on-going however, completion of these projects had been delayed beyond their initial completion dates with delays ranging from 22 to 357 days. In addition, although works on seven (7) USMID funded projects were still on-going within their original completion dates, I noted that these projects were lagging behind schedule with physical lags ranging from 20% to 65.58%. The delays in completion of the works were majorly attributed to delayed relocation of utilities such as water, sewage, telecommunication and electricity mains.

- I 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 that there were inconsistencies in some of the quantities certified resulting in overpayments of UGX. 4,433,396,923 on the USMID funded projects and UGX. 89,285,801 on the non USMID funded projects. In addition, I noted irregular payments totalling to UGX.1,935,185,140 on the USMID funded projects in the Municipalities of Kasese and Moroto

- Of the twenty-one municipalities/cities that implemented USMID funded projects, only eleven availed all the expected material test results while the remaining ten omitted some of the expected tests on the materials used. Failure to undertake all the expected material tests can lead to the use of substandard materials thereby affecting the quality of the works.

- During physical inspection of the USMID funded infrastructure works, owing to the low progress of works in the USMID funded projects in the four (4) Municipalities/Cities of Arua, Fort Portal, Hoima and one of the two project's in Ntungamo, physical inspection to ascertain defects was not undertaken. For the fifteen (15) Municipalities/Cities of Apac, Busia, Entebbe, Gulu, Kabale, Kamuli, Kitgum, Masaka, Mbarara, Mbale, Moroto, Mubende, Ntungamo (one project) and Soroti, no observable defects were identified on the USMID funded projects during the physical inspection of works at the time of audit. However, for the four (4) Municipalities/Cities of Lira, Kasese, Lugazi and Tororo, some defects such as potholes on subgrade layer, AC and CRR segregation, broken culverts, were observed.

- I also noted that the ten Municipal Councils/Cities of Arua, Busia, Entebbe, Kasese, Fort Portal, Hoima, Masaka, Tororo and Lugazi did not avail any evidence of implementation of environmental protection measures such as obtaining approvals for dumpsites, borrow sources, hazzardous waste handler, water abstraction, etc. for their USMID funded projects

I advised the Accounting Officers of the respective Municipal Councils/Cities to ensure that;

- contractor's complete works in time failure of which, liquidated damages are charged.
- conduct further review of the irregular payments and take appropriate action
- all observed defects are corrected.
- put in place measures to ensure that controls fully implement all the required environmental protection measures.

4.3.5 Engineering Audit and assessment of Infrastructure projects implemented by 73 Local Governments under the UgIFT Program for Construction of Seed Schools and Health Facilities in the Education and Health Sectors

Under the UgIFT programme, the World Bank committed a total of US$500m over the period FY 2018/19 to FY 2023/24 to support decentralized services in Education, Health, Water and Environment, and Agriculture (micro-scale irrigation) as well as support interventions in Refugee host communities. With this financial support, Government committed to construct Seed Secondary Schools and Upgrade Health Centre IIs to IIIs in Sub-Counties, extend rural water to underserved communities including the newly constructed seed Secondary Schools and Health Centre IIIs, and also provide Small Scale Irrigation equipment to farmers to enhance their productivity.

I conducted an engineering audit on the construction of 62 seed secondary schools in 61 Local Governments with an overall total contract sum of UGX 127,557,094,008 and upgrading of 54 HC II's to III's in 44 Local Governments with an overall total contract sum of UGX 26,427,456145.

Below is a summary of the Key findings;

a) Quantities Verifications

I undertook measurements on some of the executed work items to establish the consistency with which the supervision team accurately evaluated the quantities before payments. I noted inconsistencies in some of the quantities certified resulting in overpayments of UGX. 7,166,016,737 on the Education projects and UGX. 846,466,829 on the Health projects.

Overpayments if not recovered expose the respective local governments to the risk of financial loss.

I advised the respective Accounting Officers to ensure that the overpayments are recovered

b) Delayed Completion of Works

I assessed the timeliness in completion of the works and noted that;

- In the education sector, apart from the seed school in Kwania DLG, completion of works on seed schools in 43 Local Governments was delayed beyond the initial completion date with delays ranging from 24 to 842 days. I could not determine whether completion of seed schools in the other 17 local governments was within the initial completion time due to missing completion certificates.

- In the health sector, I noted that out of the 44 local governments that implemented upgrading of HCII's to III's, 28 LGs delayed completion of works beyond the initial completion date with delays ranging from 19 to 1,179 days. I could not determine the timeliness of completion of works for the other 15 LGs as these did not avail completion certificates. For Busia MC, I noted that the works executed were outside the intended scope of works for the program

Delayed payment of works denies intended users timely usage of the facilities

I advised the Accounting Officers to put in place measures to ensure that contractors complete works in time, failure of which, liquidated damages are charged

c) Quality Control of Works

I checked the level of quality control measures undertaken on selected materials (sand, concrete, aggregates, blocks/bricks) before incorporation into permanent works. I noted that;

- In the education sector, of the 61 Local Governments (LGs) audited that implemented seed secondary schools, 11 LGs carried out tests on all the materials, 23 LGs did tests on some of the materials while 27 LGs did not test the materials.

- In the health sector, of the 44 Local Governments (LGs) audited that implemented health projects, 3 LGs undertook tests on all the materials, 13 LGs carried out tests on some materials, while 28 LGs did not carry out any tests on the materials.

Failure to undertake tests on materials may result in use of materials that don't meet the specifications and compromising the quality of the completed works.

I advised the Accounting Officers to ensure that all materials used are tested, test results reviewed and approved prior to their incorporation into the works.

PART 5: INFORMATION SYSTEMS (IS), FORENSIC AND SPECIAL AUDITS

This Section provides a summary of findings from Information Systems Audits, Forensic and Special Audits.

5.1 INFORMATION SYSTEMS (IS) AUDITS

During the year under review, I undertook five (05) IS Audits, as summarised in the table below;

Table 59: Schedule of IS Audits undertaken

SN	Entity	Details of IT System audited
1	UNEB	eMacs system
2	Ministry of Public Service (MoPS)	HCMS/IPPS
3	Ministry of Public Service (MoPS)	HCMS/IPPS (Follow up audit)
4	Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)	e-voucher (follow up audit)
5	Directorate of Citizenship and Immigration Control (DCIC)	e-Passport system

I issued separate reports for each of the above audits. For purposes of this consolidated report, the two HCMS/IPPS reports have been summarised under one paragraph. A summary of the Key findings from the above Audits is as follows;

5.1.1. Information Systems and Special Audit Report on the Review of the Operations of the Integrated Personnel and Payroll System (IPPS) and the Implementation of Human Capital Management System (HCMS) at the Ministry of Public Service (MOPS)

a) Background to the Systems

Initiated in 2009, the IPPS was developed under a contract between the Government of Uganda, through the Ministry of Public Service (MoPS), and a specialized firm. This system was implemented to provide a comprehensive personnel and payroll management solution.

The transition from IPPS to HCMS was driven by the need to address the limitations of IPPS, such as failure to integrate with major systems like the IFMS. In FY2019/20, the Ministry of Finance, Planning and Economic Development (MoFPED) contracted a firm to supply, design, develop, implement, and commission the HCMS, domiciled at MoPS. The HCMS was designed to automate a wide array of human resources functions, such as establishment management control, human resource planning, payroll management, performance assessment, and many others, thereby offering a more integrated and efficient approach.

The HCMS implementation is structured in three phases, targeting various Ministries, Departments, Agencies (MDAs), and Local Governments (LGs) funded by the Consolidated Fund. These phases include the establishment of 60 sites in Phase 1, 100 sites in Phase 2, and over 88 sites in Phase 3. Hosted at the National Data Centre (NDC) and backed by the National Disaster Recovery Site (NDRS), managed by National Information Technology Uganda (NITA-U), the HCMS leverages the National Backbone Infrastructure for robust and secure operations.

b) The redacted findings which exclude sensitive application and database control weaknesses, were as follows;

(i) Weakness in the implementation of Wage Budgetary Controls
(ii) Disharmony in Implementation of Vote Structures and Payrolls onto HCMS
(iii) Lack of an Integrated Payroll
(iv) Delayed Project Implementation
(v) Limited Scoping of the HCMS Project
(vi) Failure to Operationalize all the HCMS Modules
(vii) Use of Different Performance Management Tools
(viii) Failure to Fully Operationalize MDAs/LGs on HCMS
(ix) Slow Uptake of the HCMS by Users
(x) Incomplete Integration of HCMS and IFMS
(xi) Failure to Integrate with the Service Commission
(xii) No Integration with NIRA to Support Update of Deceased Civil Servants in HCMS
(xiii) Inconsistencies in Staff Numbers on HCMS and IFMS
(xiv) Weaknesses in the Setup of Pay slips
(xv) Failure to Remit Deductions

5.1.2. Information Systems Special Audit Report on the Review of the Operations of the E-Passport Personalisation System operated by Directorate of Citizenship and Immigration Control (DCIC)

a) Background to the System

On 19th October 2018, the Ministry of Internal Affairs (MoIA) through the Directorate of Citizenship and Immigration Control (DCIC) entered an agreement with the Uganda Security Printing Company Limited (USPC) for the provision of the e-Passport system and personalization centre. The purpose of the system is to enable the Directorate to implement and enforce the Uganda Citizenship and Immigration Control Act and related immigration laws and policies.

The Electronic Passport Personalisation System (e-Passport) operates independently, utilizing the Oracle Database and the Windows Server Standard Operating System. By the time of the audit (September 2023), the system had been rolled out in thirteen locations, including regional offices in Kampala, Mbale, Mbarara, Gulu, Jinja and international sites such as London, Washington, Pretoria, Copenhagen, Abu Dhabi, Ottawa, Beijing, and Addis Ababa.

b) The redacted findings which exclude sensitive application and database control weaknesses were as follows;

i) Slow Integration of e-Passport with Internal and External Systems.
ii) Inconsistencies in passport processing

iii) The same NIN used by Different Applicants in Passport Processing
iv) Revenue lost due to Passports being processed without traceable online applications and Payments at URA
v) System Ownership and Source Code Ownership or Transfer
vi) Weak IT Governance Structures
vii) Absence of IT Risk Assessment and Management
viii) Delays in project implementation and handover
ix) Lack of a specific IT Strategic Plan
x) Absence of IT Continuity Plans/Disaster Recovery Plan
xi) Delayed Supply of Paper-Based Passports by the Vendor

5.1.3. Information Systems special audit report on the IT Security audit and follow up IT review of Uganda National Examination Board Information Systems

a) Background to the Systems

UNEB has made significant strides towards improving the efficiency of its operations through the use of ICT resources. Over the last three years, the Board has successfully automated 19 critical processes, including the electronic registration of candidates, electronic capture of marks, e-services, electronic release of results, and electronic verification of results. Moreover, UNEB has brought over 18,690 examination centres online, enabling them to register over one million candidates electronically. These achievements have not only streamlined UNEB's core mandate but have also enhanced the overall quality of its services to stakeholders.

UNEB has implemented various systems (as tabulated) to streamline its business processes and manage its relationships with stakeholders. These systems are helping to increase efficiency, improve communication, and enhance the overall quality of service delivery.

Table 60: Description of Information Systems at UNEB

SN	Information system	Purpose
1	E-Registration	Registration of candidates and collection of examination fees
2	eMacs	Exam Preparation, marking, arranging of scripts, capturing marks, adjudication and validation of marks
3	Result Management System (RMS)	Consolidation of marks/scores from the e-Macs system from the various marking centres. Grading of scores based on the grading boundaries issued by the Awards Committee
4	Public Universities Results weighting/Admission Tool	Weighting and grading UACE candidates' results for admission into public universities
5	UNEB e-Services	Application and revenue collection from equating of results, inspection & validation of UNEB centres, and verification of results.
6	UNEB e-Pay	Payment gateway for online payments to Stanbic bank, centenary bank and airtel money.

b) The redacted findings which exclude sensitive application and database control weaknesses were as follows;

i) Limited automation in the eMACS operations
ii) Lack of sufficient user documentation
iii) Lack of SLAs between UNEB and System Vendors
iv) Inadequacies in IT Governance
v) Failure to Value and Recognise IT Intangible Assets
vi) Failure to Upgrade UNEB Systems

5.1.4. Verification Report for Information Systems Audit of the Agriculture Cluster Development Project Electronic Voucher Management System (E-Voucher) at the Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)

a) Background

In financial year 2020/21, I undertook an audit of the Agriculture Cluster Development Project Electronic Voucher Management System (e-Voucher) that is run by Ministry of Agriculture, Animal Industry and Fisheries (MAAIF) and issued a report in which I highlighted several issues and gave recommendations for implementation by management.

Consequently, the Permanent Secretary of MAAIF, in a letter dated 22nd March, 2022, requested my office to undertake a verification exercise to ascertain whether the recommendations had been addressed.

Accordingly, I undertook a verification exercise of the matters identified in my earlier report on the system as detailed in the subsequent sections of this report.

b) The redacted findings which exclude sensitive application and database control weaknesses were as follows;

(i) Upon observation and review of system requirements, I noted that the system had been implemented to a completion rate of approximately 95% - implying that implementation of the system continued after issuing my previous audit report. I established that out of a total of one hundred twenty-one (121) requirements, only one had not been fully implemented. However, six (6) requirements had been partially implemented.

(ii) I observed that the system was specifically designed to integrate with the UBA banking system. This creates a potential risk for the Ministry as it would require significant cost and effort to rebuild the system, should the contract between MAAIF and UBA be terminated.

(iii) There was no evidence that the internal audit function was involved in either using or auditing the system. As a result, there was no independent assurance that internal controls were being regularly monitored and evaluated.

(iv) While reviewing the payment data in the system, I identified inconsistencies between the data in the system and that in the payment gateway. As a result of these discrepancies, a total of UGX.6.219Bn was not paid to agro-dealers.

5.2 FORENSIC AUDITS

Pursuant to Article 163(3) of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 22 of the National Audit Act 2008, I undertook Forensic Audits during the year. I issued separate audit reports on the investigations. The summary of the findings from the reports is provided here below.

5.2.1 INVESTIGATION REPORT ON COVID-19 EXPENDITURE BY THE UGANDA DEVELOPMENT CORPORATION FOR THE FINANCIAL YEAR 2020/21

In a letter dated 3rd September 2021, the Clerk to Parliament wrote to the Rt. Hon. Prime Minister/Leader of Government Business, stating the resolutions of Parliament on the report of the Parliamentary task force on the National COVID-19 Response. In the said letter, the Clerk indicated that at the 22nd meeting of the 1st session of the 11th Parliament of the Republic of Uganda, Parliament adopted the report of the Parliamentary Task force on the National COVID-19 responses. Included among the resolutions made during the meeting, was a request that the Auditor General conducts a Forensic Investigation on the COVID-19 funds.

Pursuant to Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Sections 22 and 13(3) of the National Audit Act (NAA), 2008, I commenced a forensic investigation into COVID-19 funds management by Uganda Development Corporation during the Financial Year 2020/21. The main objective of the Forensic Investigation was to ascertain whether all COVID-19-related spending for the FY 2020/2021 was applied appropriately in accordance with the existing regulations and guidelines and to make recommendations for better use of COVID-19-related funds. Below are the summarized findings of the investigation.

a) UDC's submission for supplementary funding of UGX 100Bn contained investment projects not approved by the Board.

b) On 24th October 2020, the tenure of Board of Directors expired. A new Board was appointed on 26th November 2021 after the year end date. Investment decisions requiring approval by the Board were not obtained as a result in the period of the vacuum.

c) UDC paid UGX6.38Bn as a shareholder loan in Mabale Growers Tea Factory before completion of the acquisition of shares in the company.

d) Horyal Investment Holding Company Limited, the Implementers of the Atiak Sugar factory received payment of UGX 12Bn from UDC as Shareholder's loan for the purchase of 30 Tata trucks. However, only 10 trucks at USD 40,000 each were bought costing UGX1.751Bn.

e) UDC disbursed UGX.0.948Bn to M/s Alfasan (U) Limited as part of the UGX 10.57Bn approved for investment in the company. The memorandum Agreement between the UDC and M/s Alfasan (U) Ltd for investment was signed before approval by the UDC Board of Directors.

f) UDC remitted UGX.11.77Bn to Bukona Agro Processors Ltd for the purchase of machinery and equipment as well as Operating Capital, before the completion of the Company valuation.

g) On 30th April 2021, a remittance of UGX.3.068Bn was made to M/s Kaaro Koffi Ltd by UDC as part of the COVID-19 relief funds to acquire shares in the Company before completion of the company valuation.

h) UDC disbursed UGX 2.5bn to M/s Mutuma Commercial Agencies Ltd as purchase of equity into the company. The remittance was made before completion of the valuation of the company and the Government had not secured shareholding at the time of the audit.

5.2.2 FORENSIC INVESTIGATION REPORT INTO THE ALLEGED CORRUPTION AND ABUSE OF OFFICE AT THE UGANDA LAND COMMISSION

In a letter dated 11th October 2021 and referenced LAD3/187/01, the Minister of Lands, Housing and Urban Development (MoLHUD) requested me to conduct a forensic audit into activities of Uganda Land Commission. Similarly, I received a request from the Inspectorate of Government (IG) vide; HQT/38/09/2019 dated 20th October 2021 requesting me to carry out an audit into the alleged corruption and abuse of office by officials of the Uganda Land Commission for the period 1st January 2018 to 20th October 2021.

Subsequently a meeting was held on 1st February 2022 between Inspectorate of Government and Office of the Auditor General, where it was agreed that following the Minister's request to both Institutions on a similar subject matter the IG was to focus on areas of corruption and abuse of office while OAG was to focus on financial transactions for land compensations by the Commission for the period 1st January 2019 to 31st December 2021 since my office had earlier issued an investigation Report on ULC covering the period 1st July 2018 to 30th December 2018 and my findings were shared with the IG and the Uganda Police- Criminal Investigation Directorate. Below are the findings.

a) I was limited in scope due to lack of access to critical information such as; Commission Minutes, Finance Committee Minutes, Compensation Guidelines, Land Inventory/Register and Land Compensation Ledgers for Claimants. Lack of documentation limited the scope of the audit.

b) The Commission made payments totalling **UGX. 39.372Bn** in respect of domestic arrears claims. However, there was no approved schedule of domestic arrears to confirm the amounts involved.

In my earlier reports I also noted the following;

c) For the year ended 30th June 2021, the amount disclosed as domestic arrears was UGX.169.490Bn which was not fully supported as the files lacked supporting documents.

d) For the FY ended 30th June 2020, management reported a total UGX.187.032Bn as outstanding payables of which UGX.128.956Bn was in relation to land compensation. despite my invitation dated 31st August 2022 and final reminder dated 9th May 2023 through the Accounting Officer.

e) Eight (08) claimants were paid UGX. 469.940Mn over and above the value of their properties leading to financial loss to Government.

f) 8 individuals were advanced UGX.816.052Mnon their personal bank accounts contrary to regulations.

g) UGX.384Mn was paid to a non-bonafide land compensation claimant, causing loss of UGX.384Mn to Government.

5.2.3 THE FORENSIC INVESTIGATION REPORT INTO THE BENEFICIARIES OF THE COVID-19 RELIEF FUNDS AT THE MINISTRY OF GENDER, LABOUR AND SOCIAL DEVELOPMENT IN JULY AND AUGUST 2021

The Office of the Auditor General received a letter dated 8th February 2022, referenced: AC 263/493/01, from the Clerk to Parliament of the Republic of Uganda, requesting a forensic investigation into the beneficiaries of the COVID-19 relief funds at the Office of the Prime Minister and Ministry of Gender, Labour and Social Development. The audit followed interventions during the 42-day lockdown that commenced on 19th June 2021 to curb the epidemic.

The mitigation measures included a directive by, H.E. the president to the Rt. Hon. Prime Minister and the Minister of Gender, Labour and Social Development to;

- Identify the groups that depend on daily income in urban areas especially Kampala;
- Asses their needs during the lockdown period; and
- Identify interventions to take care of their needs.

Following the directive, the Ministry of Gender, Labour and Social Development implemented the cash transfer intervention to address the needs of persons that depended on daily income in urban areas using the monies appropriated. The intervention was implemented in Kampala Capital City Authority, all Cities and Municipalities.

My investigation revealed the following;

a) A total of UGX.784.8Mn of the COVID-19 Cash relief meant for vulnerable persons was irregularly paid to 7,662 civil servants who were earning a salary from the Consolidated Fund outside the vulnerable categories defined by the Cabinet.

b) Funds amounting to UGX.192.97Mn were irregularly paid out to 1,884 beneficiaries that were employed in the Private Sector.

c) Funds amounting to UGX.615.68Mn were erroneously paid out to 6,011 beneficiaries by the Post Bank Uganda Limited due to the system glitch.

5.3 SPECIAL AUDITS

In accordance with Article 163(3) of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 22 of the National Audit Act 2008, I carried out Special Audits during the year. I issued separate audit reports on the investigations. The summary of the findings from the reports is provided here below.

5.3.1 Special audit report on update/reconfirmation of liabilities of Busoga University

In a meeting held on 2nd November, 2018 by His Excellency, the President and the Presidential Committee on Government's takeover of the former Busoga University, it was resolved that the Auditor General (AG) undertakes a verification of all debts incurred by the former Busoga University Limited (BUL) to facilitate the settlement thereof by Government. The AG thereafter undertook verification and, in his report, dated 30th June 2019 passed for payment total liabilities of UGX.15,218,286,744 and USD.66,000.

Later on, in February 2022, the Government of Uganda (GoU), represented by the Ministry of Education and Sports (MoES), the registered trustees of the Church of Uganda, and BUL signed a Memorandum of Agreement (MoA) to serve as a general framework and final agreement for the takeover of the ascertained and agreed Assets and Liabilities of the former Busoga University by the Government. Consequently, the Permanent Secretary (PS) of MoES in a letter dated 10th November 2022 requested the AG to update/reconfirm the status of the University's liabilities to inform the takeover of the University by GoU.

Accordingly, pursuant to Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Section 22 of the National Audit Act, 2008, I instituted another special audit to update/reconfirm the status of BUL's liabilities. My findings are below;

a) The total verified liability position as at April 2023 was **UGX.17,450,552,237** and **USD.66,000**.

b) Included in the liabilities is UGX.3.5Bn being compromise settlement between the Bank of Baroda and MOES regarding the loan amount which was originally UGX.5.8Bn.

c) BUL owned a total of seven (7) pieces of land. The church had already signed transfer of four (4) pieces of land in perpetuity to the GoU, represented by the MoES. MoES already had custody of 2 land titles while the other 2 were still with Bank of Baroda, pending settlement of the outstanding mortgage loan. Three (3) pieces of land were directly owned by BUL and the Directors had signed forms transferring ownership to GoU, represented by the MoES.

5.3.2 Special Audit Report on Verification of Amount Payable to M/S Steam Investments Ltd by Uganda Electricity Transmission Company Limited

In November 2012, Uganda Electricity Transmission Company Limited (UETCL) contracted M/s Isolux Ingenieria S.A to construct sub-stations under the Nile Equatorial Lakes Subsidiary Action Program (NELSAP). Subsequently, M/s Isolux sub-contracted four (4) firms, including M/s Steam Investments Ltd, to undertake the works. On 18th May 2017, UETCL terminated the main contract owing to the financial distress experienced by the contractor. In July 2017, M/s Isolux filed for insolvency in Spain.

In March 2021, M/s Steam Investments sued Isolux in the High Court of Uganda for breach of contract (failing to settle outstanding payables). UETCL and African Development Bank (AfDB) were included on the legal suit as 1st and 2nd garnishee respectively, following a claim by M/s Steam Investments asserting that UETCL, by the time of terminating the Main contract, had unutilized amounts under the encashed performance guarantee, retention monies and unpaid invoices due to M/s Isolux. M/s Steam prayed to Court that the unutilized amounts be paid to them to settle court awards totalling USD.3,680,537 and UGX.90,777,740. UETCL, on its part stated that the money from unpaid invoices was offset to recover advance payments. Given that the Attorney General could not establish, with certainty the outstanding amounts due to M/s Isolux from UETCL, the Office of the Auditor General was requested to undertake verification of the same.

Accordingly, pursuant to Article 163 of the Constitution of the Republic of Uganda, 1995 (as amended) and Sections 22 of the National Audit Act 2008, the Auditor General instituted a special audit to verify the transactions between UETCL and M/s Isolux to ascertain outstanding amounts due to M/s Isolux under the contract between UETCL and M/s Isolux, and also verify the amounts owed to M/s Steam by M/s Isolux. My findings are summarized below.

a) Following the termination of the main contract the overall cumulative progress of the substation works contracted to M/s Isolux was assessed to be at 80.8% completion.

b) At the time of contract termination, M/s Isolux had three (3) unpaid Invoices (due from UETCL) with certified amounts of UGX.1,256,486,468 and USD.510,237, whose net payments after deduction of retention and advance payment recovery, were UGX.879,540,528 and USD.357,166 respectively.

c) By the time of the main contract termination, M/s Steam had outstanding payments due from M/s Isolux of USD.528,600. Through a court ruling, awards/ remedies of UGX.90,777,740 and USD.3,504,200 carrying varying interest were awarded. By June 2022, this amount had risen to USD.3,680,537 and UGX.90,777,740.

5.3.3 Special audit on the Verification of Assets and Liabilities of Mountains of the Moon University

In a letter referenced; ADM/48/237/01, dated 10th March 2021, the Permanent Secretary (P/S), Ministry of Education and Sports, indicated that the Ministry was in the final stages of taking over Mountains of the Moon University Limited, and establish a public university in accordance with the Presidential Directive Ref; PO/9 of 8th January 2018. In the same letter, the President requested the Auditor General to audit the University debt (Liabilities).

Accordingly, the P/S requested the Auditor General to carry out a verification of the assets and liabilities of the Mountains of the Moon University Limited to facilitate the process of dissolving the company and pave way for the establishment of the Mountains of the Moon University (MMU) as a Public University. Below are the summarized findings;

a) Mountains of the Moon University was a "Not – for- profit" Community University established under the Universities and other Tertiary Institutions Act (UOTIA), 2001, incorporated as a company limited by guarantee and licensed to operate by the National Council for Higher Education (NCHE) on the 29th March 2005.

b) The Chancellor of the University requested His Excellency the President of the Republic of Uganda to allow the Government of Uganda (GOU) take over the MMU and transform it into a public university. In response to the letter by the Chancellor, His Excellence the President on 8th January 2018, in a letter of reference PO/9, directed that the GOU through the MoES should take over the University.

c) The University had a total liability of UGX.3,599,404,856 out of which UGX.3,450,599,156 was verified and passed for payment.

d) The University had assets valued at UGX.12,811,251,731, out of which assets worth UGX.6,179,679,338 were purchased from the capital component of the Transition Task Force (TTF) budget. However, Land and buildings need to be independently revalued to obtain the current market values.

5.3.4 <u>Special Audit Report on Eight Grid Extension Projects Implemented by Rural Electrification Agency Under Ministry of Energy and Mineral Development.</u>

In a letter referenced CID/C40/207/PAC dated 14th April 2020, the Assistant Inspector General of Police, the Director Criminal Investigation requested me to conduct a Value for Money special audit on projects implemented by the Rural electrification Agency (REA), to support their investigations of the rural electrification projects were namely; i) Masindi-Waki-Buliisa, ii) Kitgum-Palabek-Padibe-Lokung, iii) Ibanda-Kazo-Rushere, iv) Opuyo-Moroto, v) Kabale-Kisoro, vi) Soroti-Katakwi-Moroto, vii) Gulu-Acholibur, and viii) Nkonge-Kashozi. Below are my summarized findings;

a) Out of the commissioned lines, under the audit, UMEME obtained O&M rights for about 25% and which were largely township lines. UEDCL obtained about 60% of the O&M rights while the other operators were allocated 15%. I however did not get evidence of any deliberate O&M policies or practices largely on the preventative maintenance.

b) Contracts which were awarded before 2013 did not mandate contractors to implement explicitly the Environmental and Social management plan as approved by NEMA and other Lead Agencies.

c) 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.

d) Voltage drops were witnessed during field inspections for all extensions beyond 100km that did not originate from the substation.

e) Poles supplied on projects were lasting for about 10 years at best with some even failing in less than 5 years, instead of the normal 20 years.

f) Most power lines were implemented without feasibility studies, the gaps noted in conducted feasibility studies include poor economic valuation of results, unsound use of a single conversion factor of 1.4 for a unit price of power, lack of clear procedures for estimating the number of power connections.

5.3.5 Special Audit on the Construction of Selected Courts under the Judiciary

I received letters ref CJ/E.6/20 dated 23rd October 2020 and ref; ADM.236/069/01, dated 9 February, 2022, from the Hon. Chief Justice and Secretary to the Judiciary respectively, requesting me to undertake a special forensic audit of the constructed judiciary courts.

In his communication, the Hon. Chief Justice indicated that he had been receiving information that many of the courts constructed over a period of close to 10 years had developed a lot of defects arising from use of substandard construction materials, poor workmanship, design deficiencies, inadequate facilities and delays in construction. He further stressed that this information had been corroborated by findings of the Principal Judge who had been on a countrywide inspection tour and thus his request for a special audit.

Accordingly, I undertook the special audit on the constructed courts. My findings are summarized below.

(i) Bills of quantities for several courts constructed were not availed for verification. Non-conformance of executed works to the required specifications is indicative of gaps during supervision and can negatively affect the functionality, performance and durability of the affected work items.

(ii) The tested sampled concrete elements for the two (2) courts of Kibuku, and Lamwo all failed to meet the minimum required compressive strength.

(iii) I was not availed with the concrete compressive strength requirements for the twelve (12) courts of Kasese, Adjumani, Sironko, Soroti, Busia, Bushenyi, Yumbe, Moyo, Nakapiripirit, Koboko, Amuru and Kapchorwa. Consequently, I could not ascertain whether the values obtained met the specified requirements.

(iv) There were delays ranging from 1.4 to 48 months in the completion of the construction of twelve (12) of the courts.

(v) Several defects were observed during inspection of the courts, such as cracks in the walls and ceilings, broken floor and loose electrical fittings and inadequate ventilation.

(vi) Some courts constructed did not meet user requirements, such as smaller room than required in Moyo and Yumbe.

(vii) Payments supporting payments for contractors' certificates were not availed at several courts.

(viii) For ten (10) courts where payment certificates were availed there were inconsistencies resulting in overpayments totalling to UGX.77,084,392.3.

5.3.6 Special Audit Report on Alleged Mismanagement of Funds for Kanara Water Supply Project in Kitagwenda District (Phase II &III) and Kikazi-Ntara Road

On 30th August 2021, I received a letter ref GEF/ACU/090/2021 and GEF/ACU/095/2021 from the Directorate of Criminal Investigations (DCI) requesting for a forensic and value for money audit to be undertaken regarding the alleged corruption and embezzlement of funds in Kitagwenda District Local Government. The allegations submitted by the Directorate of Criminal Investigations included; mismanagement of funds meant for works, water and sanitation, education, statutory bodies, health and town council roads for the 1st to 3rd quarters of the financial year 2020/21.

Similarly, on 17th August 2021, I received a letter from the Executive Director of the Rwenzori Anti-Corruption Coalition (RAC) requesting me to conduct a forensic audit to verify the veracity of the allegations received by the Coalition regarding embezzlement and financial mismanagement of public resources by some technical staff of Kitagwenda District Local Government. I conducted a special audit and a summary of my findings is below.

a) The construction of Kikazi Street and Ntara Circular road was conceptualized and approved under the Uganda Road Fund (URF) Board special project for the extended periodic maintenance/tarmacking of 1.0km in March 2020 but was not included in the district procurement plan for the FY 2020/21.

b) The design report prepared by M/s Rock and Dirt Solutions, the design consultant for the construction of Kikazi Street and Ntara Circular road, was questionable as it omitted a number of expected items such as; topographical surveys, hydrological investigations, material investigations, works implementation schedule, etc.

c) The planned quantities for the construction materials such as bitumen, chippings, stone dust had been inflated to a tune of UGX.66,060,000.

d) Materials worth UGX.98,600,000 consisting of 20/14mm chippings, 14/10mm chippings, and culverts were purchased by the District Engineer based on an unapproved design.

e) Whereas both phase II and phase III contracts for Kanara water supply scheme were admeasurement contracts, there was no evidence of measurement of works as no measurement sheets were availed to me for review. As such, the payment of UGX.127,554,571 for phase II and UGX.171,511,610 for phase III are considered questionable.

f) An irregular payment of UGX.85,050,000 was made for the pumping mains pipeline that did not meet the specifications while for the phase III works, payment of UGX.7,060,000 for a cable whose cross-sectional area did not meet requirements.

5.3.7 Forensic Investigation Report into COVID-19 Response Funds in Ministry of Gender, Labour and Social Development (MoGLSD)

In a letter dated 3rd September 2021, the Clerk to Parliament wrote to the Rt. Hon. Prime Minister/Leader of Government Business, stating the resolutions of Parliament on the report of the Parliamentary task force on the National COVID-19 Response. In line with the resolutions of Parliament referred to in the letter, I undertook a Special Audit on the COVID-19 funds provided to MoGLSD. A summary of my findings is below.

a) A total of 10,054 beneficiaries were paid without National Identification Numbers contrary to the SAGE Implementation Guidelines.

b) A total of UGX.265,178,498 remained outstanding without accountability documents at the time of writing this report.

5.3.8 Other Special audits on valuations and verifications

I conducted 07 special audits on valuation and verification of claims and issued the reports to the respective requesters as indicated in the table below;

Table 61: Showing special audits on valuations and verifications

SN	Requester	Basis of valuation/verification	Recommended/ verified amount
1	Attorney General	Verification of loss of business by M/S Krone Ltd and Presidential Directive	Verification of compensation of UGX. 6,020,813,273
2	Attorney General	Verification of loss of buses and business by M/S SB Coaches Ltd, and Presidential Directive	Verification of claim of UGX.8,584,231,125
3	Mr. Kajwalire Reuben	Verification of terminal benefits based on a Court Order	Recovery of UGX.16,547,027
4	State House Anti-Corruption Unit	Investigation into alleged embezzlement of funds by the Directors of Nsambya carpentry, joinery, crafts and training agency (NSACARJA)	Embezzlement of UGX.427,285,000
5	Parliament of Uganda	Special Audit Report on the Management of Funds Disbursed to National Council of Sports	UGX.19,614,000,000

SN	Requester	Basis of valuation/verification	Recommended/ verified amount
6	MoFPED	Special Audit Report on Eskom (U) Limited (EUL) end of Concession on the Nalubaale-Kiira Hydropower Plant (380mw) Complex as at March 31, 2023	EUL's estimated buyout amount is USD 12,701,828
7	MEMD	Consultancy services for the technical, legal and financial evaluation of Namanve Thermal Power Plant (NTPP)	The value of the Power Plant is estimated at Euro 27.36 million
8	PSST	Certification of Data for the Preparation of the Extractive Industries Transparency Initiative (EITI) Report	UGX. 10,455,748,322 USD. 372,000

PART 6: HIGHLIGHTS FROM LOCAL GOVERNMENT AUDITS

6.1. Education Development Grant

The Education Development Grant, formerly School's Facilities Grants (SFG) aims at assisting the neediest communities' complete unfinished classrooms and build new classrooms in 176 LGs to achieve the classroom: pupil ratio, pupil: desk ratio, pupil: latrine and teacher: house ratio.

Out of 176 LGs, I assessed performance in 157 (89%) LGs that received Education Development Grant funding of UGX.86.61Bn (99%) out of UGX. 86.63Bn budgeted for the financial year 2022/23. Out of the UGX. 86.61Bn received, the LGs spent UGX.82.6 Bn (95%) leading to un-utilized funds of UGX.3.97Bn

The LGs implemented 1,113 projects which included the following;

- Construction of pit latrines in schools,
- Renovation of class room blocks,
- Construction of class room blocks, and
- Supply of desks

I designed audit procedures to assess whether the utilization of the Education Development Grant was done in accordance with the grant guidelines.

The following were my observations;

(i) Positive observations

I noted the following areas where management had commendable performance:

- 137 out of 157 LGs allocated the grant funding in accordance with the grant guidelines.
- 138 out of 157 LGs undertook mitigation measures for environmental and social risks.
- All the entities received the project funds as budgeted for except for Mityana Municipal Council which did not receive UGX.18.9Mn
- All the planned and implemented education development grant activities were incorporated in all of the Local government's work plans and budgets.
- All the projects implemented were eligible for financing

(ii) Areas of Improvement

I noted the following areas where the LGs need improvement;

a) Planning

The Education and Sports Sector Planning, Budgeting and Implementation Guidelines for Local Governments 2021 provide that:

- The proposed investments are derived from the approved LG Development Plan.
- Local Governments should maintain an up-to-date asset register of education facilities and their condition to ensure informed prioritization as per the guidelines.
- Contracts should include measures to mitigate environmental and social risks and standard clauses in the contract outlining the contractor's responsibilities in terms of mitigating environmental and social risks.
- At least 95% of the grant to be used for capital and more than zero up to 5% to be used to fund investment service costs.

I reviewed the planning of LGs and noted the following;

- 49 (31%) out of 157 LGs did not maintain an up-to-date asset register of education facilities and their condition to ensure informed prioritization in selection of schools to benefit from the Education Development grant.
- 20 (13%) out of 157 LGs allocated less funds to capital investment than the required 95% leading to under allocation by UGX. 0.49Bn while the investment service costs were allocated more by the same amount.
- 94 (9%) out of 1,113 projects worth UGX. 5.2Bn in 19 LGs were not screened for likely environmental and social impacts and as such there were no environment and social management plans and reports to prescribe and mitigate the implementation measures.

The Accounting Officers;

- Acknowledged the shortcoming and promised to up-date the assets registers and also adhere to the grant allocation guidelines in the subsequent financial years.
- Noted the matter of not screening projects for likely environmental and social impacts for future implementation.

Recommendation

The Accounting Officers should ensure regular up-date of the assets register, comply with the fund allocation guideline and undertake environmental and social impact screening.

b) Funding and absorption of Education Development grant

I reviewed the budget performance of LGs and noted that a total of UGX. 86.61Bn (99%) was received in 157 LGs, out of the budgeted UGX. 86.63Bn. Out of the funds received, the LGs utilised UGX. 82.63Bn (95%) by the end of the year, resulting in an under absorption of UGX. 3.97Mn

The Accounting Officers attributed the under absorption to late release of funds and retention monies for contracts whose defects liability periods had not expired.

Recommendation

MoFPED should ensure timely release of funds and the Accounting Officers should roll over the un-implemented activities to the financial year 2023/2024. In addition, retention should be paid when contractors have rectified all defects.

c) Inspection for service delivery under the Education Development Grant

I carried out physical inspections between October and November 2023 on newly constructed and renovated classroom blocks, and 5-stance pit latrines in LGs to assess indicators of service delivery. I observed the following:

- Construction of 42 projects in 19 LGs had not been completed at the time of inspection indicating that the projects had delayed by an average of 180 days. Notably among the incomplete works were installation of water collection facilities, addressing environmental aspects like planting of grass and trees, plastering, painting works and floor finishes.

- 67 projects in 35 LGs had defects such as cracked walls, unpainted windows, uninstalled lightning conductors, delivery of substandard furniture, unfixed water gutters etc.

- 5 projects worth UGX. 336Mn in 5 primary schools remained idle after their completion because they had not yet been commissioned. This denied the beneficiaries service delivery.

The Accounting Officers attributed the delayed completion of projects to delays in receipt of funds by the LGs

Recommendation

- MoFPED should ensure timely release of funds and the Accounting Officers should roll over the un-implemented activities to the financial year 2023/2024.
- The accounting officers should ensure the defects are rectified before retention payments are made.
- The Accounting Officer should liaise with relevant stakeholders and ensure commissioning of projects to deliver services.

6.2. Micro Scale Irrigation

The GoU is implementing the Micro Scale Irrigation Programme in 135 Districts with the aim of supporting smallholder farmers to transition from subsistence to commercial agriculture through building awareness of farmers and provision of irrigation equipment. The program is funded by both the central government through UGIFT and farmers through co-funding.

Out of the 135 participating districts, I sampled 100 Districts (74%) which received UGX. 79.814Bn (97%) out of UGX. 81.830Bn budgeted to support 2,750 farmers to purchase irrigation equipment and set up 194 irrigation demonstration sites for roll-out phase.

I designed audit procedures to assess whether the utilization of the Micro Scale Grant was done in accordance with the grant guidelines.

Although the project had area where management had commendable performance such as full utilization of microscale irrigation funds on eligible activities in 100 sampled districts and installed demonstration irrigation equipment in 55 districts, there were areas for improvement and these included;

6.2.1 Budget performance

A total of UGX. 79.814Bn was received by 100 districts out of UGX. 81.830Bn budgeted (97%). Out of the funds received, UGX. 21.147Bn (47%) was spent on capital development, while UGX. 23.460Bn (53%) on complementary activities leading to unutilised funds of UGX. 35.206Bn.

As a result of the budget shortfalls, key program activities such as supply and installation of irrigation equipment were not implemented and this negatively impacted on the attainment of the program targets. In addition, under absorption of released funds led to partial/non implementation of planned activities.

The Accounting Officers attributed the under absorption to the failure by the farmers to co-fund as a precondition for provision of irrigation equipment because the 25% co-funding was not affordable by majority of the farmers. In addition, the pre-qualified suppliers by MAAIF delayed to supply and install the equipment.

Recommendation

The Accounting Officers should engage MAAIF to review the program in regards to co-funding and procurement arrangements of the program in order to enhance utilisation of funds.

6.2.2 Implementation of the Micro irrigation program

I reviewed the implementation of the micro irrigation program and made the following observations;

- Out of UGX. 65.208Bn received by 37 phase 1 districts, only 3 districts fully utilised all the funds and the remaining 34 districts had unutilised funds of UGX. 34.607Bn
- Out of UGX. 14.605Bn received by 63 phase 2 districts, only 34 districts fully utilised all the funds and the remaining 29 districts had unutilised funds of UGX. 599Mn.
- Out of the 2,750 planned irrigation equipment in 37 phase 1 (pilot) districts, 1,673 had not been delivered to selected farmers.
- Out of the 194 planned demonstration irrigation sites in 63 phase 2 (rollout) district, 12 had not been installed.

- Out of the 1,058 farmers who received the irrigation equipment in 37 phase 1 (pilot) districts, training and technical support was not offered to 493 farmers in 9 districts in the warranty period.

As a result of the shortcomings, the purpose for which the funds were disbursed may not be realised. Poor implementation of the program may also result into failure to support smallholder farmers to transition from subsistence to commercial agriculture.

The Accounting Officers attributed the performance to delays in the procurement of supplies and inadequate capacity of the suppliers.

Recommendation

The Accounting Officers should initiate measures to ensure timely procurements and engage MAAIF to expand the list of prequalified suppliers from potential suppliers to increase the number of eligible suppliers to improve on efficiency.

6.3. Utilisation of Discretionary Development Equalization Grant (DDEG) Non-USMID Grant

Discretionary Development Equalization Grant (DDEG) is a fiscal transfer reform developed to ensure equitable distribution of resources to Local Governments, which are less well-off to enable them catch up with other more areas in accordance to Article 193 (4) of the Constitution.

The grant is managed under MoLG and structured based on the differing development priorities of:

(i) The District Discretional Development Equalization Grant; and
(ii) The Urban Discretional Development Equalization Grant.

The Urban Discretion Development Equalization grant supports 19 Municipal Councils and is structured in five windows including the Non-USMID Grant. The funding should enable LGs to allocate funds to priority local development needs that are within their mandate and are consistent with national priorities. The funds are supposed to be utilised for infrastructure projects (70%), performance improvement (15%), investment servicing and monitoring (10%) and Data collection (5%).

I sampled 12 (63%) out of 19 participating MCs in the Program and developed procedures to establish whether the funds were properly budgeted, transferred to the MCs and utilised as per the Grant guidelines.

During the FY 2021/23, 12 MCs were allocated UGX.7.476Bn and received UGX. 6.499Bn to implement various infrastructure projects as summarized in the table below.

Table 62: Schedule of implement various infrastructure projects UGX.6.499Bn

SN	Project Component	Planned quantity	Actual quantity	Variance
1	Infrastructure Projects	107	105	2

I made the following observations;

(a) Positive observations

I noted the following areas where 12 MCs had commendable performance;

- All the activities included in the Municipal Council work plans were eligible in accordance with the DDEG guidelines.
- All the procured infrastructure projects were within the procurement plans of the MCs.
- All funds were spent within the expenditure thresholds.
- Monitoring reports and site progress reports were prepared

(b) Areas of improvement

I noted the following areas where the Municipal Councils need improvement;

Funding and absorption

I reviewed the budget performance of 12 Municipal Councils and noted the following;

- Out of UGX 7.476Bn budgeted by the Municipal Councils, UGX 6.499Bn (87%) was received leading to a shortfall of UGX.977Mn (13%).
- Out of the received funds, UGX .5.994Bn (92%) was spent, resulting into an under absorption of UGX 506Mn (8%).
- I further noted that Nebbi MC received UGX.185Mn for onward transfer to Divisions, however, only UGX.177Mn was remitted leading to an under remittance of UGX.8Mn (5%).

Recommendations

MoFPED should ensure timely release of all budgeted funds to MCs to facilitate implementation of planned activities.

Accounting Officer of Nebbi MC should ensure that funds are remitted in accordance with the guidelines.

6.4. Development Response to Displacement Impacts Project (DRDIP)

Implementation of the Development Response to Displacement Impacts Project (DRDIP) is a five-year World Bank funded project implemented under the Office of the Prime Minister, effective July 2017. The project provides development and direct income support to the poor and vulnerable within refugee hosting districts, to improve access to basic social services, expand economic opportunities and enhance environmental management.

Fifteen (15) LGs received UGX.56.894Bn (39%), out of UGX.144.541Bn budgeted for the financial year 2022/23. Out of the UGX.56.894Bn received, the LGs spent UGX.53.193Bn (93%) leading to a balance of UGX.3.701Bn

Below is a breakdown of the planned and actual activities that were implemented;

Table 63: Schedule of breakdown of the planned and actual activities implemented

SN	Project Component	Planned quantity	Actual quantity	Variance
1	Social and Economic Services Infrastructure (SESI)	113	38	75
2	Sustainable Environmental Management (SENRM)	297	139	158
3	Livelihoods Program	91	27	64

I designed audit procedures to assess whether the utilization of DRDIP funds was done in accordance with the grant guidelines.

The following were observed;

a) <u>Positive observations</u>

I noted the following areas were management had commendable performance:

- 14 out of 15 districts transferred all funds to the subprojects except for Isingiro District.
- With the exception one subproject, all funded sub projects existed
- All projects were evaluated and monitored by the District staff.
- All Implemented subprojects were screened for their environmental impact and environmental mitigation plans drafted and executed.
- All procurements in 14 of the 15 Districts were cleared by the Community Procurement Committees.

b) Areas of improvement

I noted the following areas where the LGs needed improvement;

(i) Funding and absorption

The DRDIP Operation Manual, 2019 provides that; the Office of the Prime Minister (OPM) shall ensure that the plans and budgets for Project activities are realistic and based on valid assumptions. The OPM is charged with communicating the allocations for the project resources to the participating districts for planning and subsequent funding

I reviewed the budget performance of the 15 Districts implementing the program and noted the following:

- A total of UGX.56.894Bn (39%) was released to 15 Districts, out of UGX.144.541Bn that was budgeted leading to a shortfall of UGX.87.646Bn (61%). The shortfall resulted into non implementation of 386 subprojects in 11 districts.

- Out of UGX.53.750 released for subprojects, UGX.50.124Bn (93%) was disbursed to subprojects while UGX.3.626Bn was not. The under absorption led to the failure to implement 6 Subprojects in four (4) districts.

- In addition, out of UGX.3.144Bn that was released for operational costs, UGX.3.069Bn (98%) was utilised leaving UGX.75Mn unutilised. This under-utilisation affected effective planning, evaluation and monitoring of the program

The Accounting Officers explained that while funding requests were based on approved projects, OPM only funded already existing SESI projects that needed extra funds due to cost variations. For example, OPM had indicated to Accounting Officers that projects in Arua, Moyo and Hoima would be differed to later years due to inadequate funds

- UGX.16.118Bn held in commercial bank accounts had not been utilised in 9 districts. The Accounting Officers explained that some of the unutilised funds on subproject bank accounts were savings from cost variations in subprojects and interest earnings from banks. The Accounting Officers were awaiting guidance from OPM regarding these balances. They further explained that other unutilised funds related to retentions not yet paid while other projects were still ongoing with pending payments.

- There were delays in release of Social and Economic Services Infrastructure subproject funds from MoFPED on approval by OPM to all the 15 districts with disbursements happening in the 3rd and 4th quarters of the financial year. Notably, Isingiro and Lamwo received UGX.2.724Bn and UGX.7.788Bn respectively in last month (June) of the financial year to implement 67 subprojects, consequently these projects could not be implemented.

The Accounting Officers explained that the mandate to release funds lies with MoFPED with the approval of OPM, to which they have no control. However, this caused delayed approval of design works for infrastructural projects and delayed the commencement of procurement processes, consequently leading to delayed implementation of subprojects.

Recommendation

- The OPM should ensure that approved subprojects are funded timely
- The Accounting Officers and OPM should follow up on all project balances on commercial banks and ensure that the funds are not misused
- The Accounting Officers should engage OPM regarding the utilisation of subproject savings and interests earned

(ii) Implementation of project activities

The DRDIP Operation Manual, 2019 provides that:

- Only those subprojects which are currently functioning and/or have recurrent budget for staff and materials provided by the respective administration will be supported

- A Web-Based Management Information System shall be set up through which data, including accountability data, will be captured at all stages of the implementation of the subprojects and that that the DRDIP Desk Officer at the district will take responsibility of the operation of the MIS at the district level

- 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;

- 17 completed infrastructure subprojects in 5 districts worth UGX.12.041Bn had not been put to use by the communities due to lack of medical equipment as summarised in table below;

Table 64: completed infrastructure worth UGX.12.041Bn not in use by the communities due to lack of medical equipment

SN	Entity	Number of projects	Cost of constructed projects (UGX) Bn
1.	Kyegegwa District Local Government	1	0.350
2.	Madi-Okollo District Local Government	2	3.035
3.	Moyo District Local Government	6	3.209
4.	Obongi District Local Government	1	1.353
5.	Yumbe District Local Government	7	4.094
	Total	**17**	**12.041**

The Accounting Officers explained that Medical equipment were supposed to be procured and installed by Ministry of Health. However, this had not been done.

- Out of 65 Infrastructure subprojects 28 (43%) subprojects worth UGX.6.726Bn were fully implemented, 30 (46%) subprojects worth UGX.25.886Bn were partially implemented and 7 (11%) subprojects worth UGX 5.743Bn were not implemented at all.

- Out of 65 Livelihood subprojects 23 (35%) subprojects worth UGX.462Mn were fully implemented, 24 (37%) subprojects worth UGX.603Mn were partially implemented and 18 (28%) subprojects worth UGX.532Mn were not implemented at all.

- Out of 285 sustainable environment management subprojects 114 (40%) subprojects worth UGX.6.976Bn were fully implemented, 106 (37%) subprojects worth UGX.8.478Bn were partially implemented and 65 (23%) subprojects worth UGX.5.068Bn were not implemented at all.

- Considering DRDIP is ending on 31/12/2023, there is a risk that the ongoing projects may not be fully implemented

- Implementing Partners (IP) failed to implement 136 subprojects worth UGX.12.033Bn in 7 districts. The IPs had been appointed by OPM without the involvement of the implementing districts nor the communities contrary to DRDIP regulations.

The Accounting Officers explained that Implementation of projects by IPs was delayed by investigations by IGG, where by IPs were suspended. The projects restarted on reinstatement of the IPs.

- A non-existent subproject in Moyo DLG was paid UGX.50Mn. Furthermore, UGX.100Mn meant for two subprojects in the district was not transferred to the respective subprojects. I could not ascertain how the funds were utilised.

- In Yumbe district, 39 procurements worth UGX.2.958Bn were not approved by the subproject Community Project Management Committees (CPMCs) and Community Procurement Committees (CPC) while 7 procurements worth UGX.3.788Bn did not seek guidance from district specialists. These procurements were not awarded by the communities but rather by OPM. Furthermore, a contract district worth UGX.423Mn was awarded to a firm that didn't have the capacity to execute the works.

- In Hoima district, a contract manager was not appointed for a reverse osmosis water project worth UGX.500Mn while in Yumbe district, the appointed contract manager failed ensure timely approval of environment impact assessments for a valley dam project worth UGX.1.800Bn. This led to delayed implementation of the two projects.

- In Moyo, Arua and Hoima districts, Community Procurement and Management Committees did not submit monthly physical progress reports or financial reports to their respective districts which undermined timely interventions and accountabilities. Data in the DRDIP MIS was also not fully captured.

The Accounting Officers attributed this to limited skills and network challenges affected effective operation of DRDIP MIS.

Recommendation

The Accounting Officers should:

- Prioritise the implementation of all partially implemented and ongoing sub-projects in the infrastructure, environment and livelihood sub-components
- Ensure that the DRDIP district coordinator monitors and guarantees that physical progress and financial reports are prepared by the CPMCs and accountabilities are uploaded into the DRDIP MIS
- Ensure that sub-project focal persons are trained on the use of the DRDIP MIS
- Engage OPM regarding the future funding of ongoing subprojects.

(iii) Inspection for service delivery projects implemented in FY 2021/22 and 2022/23

I carried out physical inspections between October and December 2023 on 33 Sub projects worth UGX.37.421Bn to ascertain the extent of service delivery in regard to; existence, quality, adequacy, time, cost and functionality; and observed that:

- Six (6) subprojects worth UGX.15.654Bn in 6 districts had defects ranging from cracks on walls and un-cleared water channels under bridges
- Twelve (12) subprojects worth UGX12.925Bn in 6 districts were behind schedule
- UGX.256Mn was paid out from eleven (11) subprojects in 4 districts for Environmental mitigation measures with no corresponding/commensurate work.

The Accounting Officers explained that:

- The defects noted would be rectified as the projects were still in the defect liability period and retentions were not yet paid.
- Environmental and Social Management Plan (ESMP) works were still ongoing and had been affected by the delayed completion of the subprojects and by the dry weather.

Recommendation

The Accounting Officers should ensure that all defects and ESMP works are corrected/completed prior to commissioning all projects. Furthermore, projects that are behind schedule should be expedited.

6.5. Transitional Road Rehabilitation Grant

The Transitional Road Rehabilitation Grant is operated under the Ministry of Works to meet road rehabilitation needs of the district and urban roads countrywide in selected beneficiary LGs. This is an intervention to support the inadequate road maintenance budget under the Uganda Road fund.

Out of the 22 participating LGs, I sampled 15 LGs which received UGX.16.140Bn out of the UGX.17.556Bn that was budgeted representing 92% performance for the financial year 2022/23. Out of the received amount, the LGs spent UGX.13.892Bn (86%) leading to un-utilized funds of UGX.2.247Bn.

I developed procedures to establish whether the Transitional Road Rehabilitation Grant activities were implemented in accordance with the Grant Guidelines and I noted the following;

(a) Positive observations

I noted the following areas where the 15 LGs had commendable performance:

- All the projects implemented were incorporated into the District work plan and budget.
- 12 LGs had their road materials tested and approved before use.
- Procurements were undertaken in accordance with the PPDA regulations.
- The work plans for the roads were prepared and approved.

(b) Areas of improvement

I noted the following areas where the 15 LGs need improvement;

(i) Funding and absorption

I reviewed the budget performance of LGs and noted the following;

- A total of UGX.16.140Bn (92%) was received in 15 LGs, out of UGX.17.556Bn budgeted.
- Out of the funds received, UGX.13.892Bn (86%) was utilised leaving UGX.2.247 (14%) un-utilized by 7 LGs.
- 6 LGs received grant funding for 15 projects in the 4th quarter instead of the 1st quarter as required by the grant guidelines. This delayed the implementation of the projects and consequently, funds were swept back at the year-end before completion of the projects.

The Accounting officers explained that the responsibility of funds releases lies with the MoFPED.

Recommendation

The accounting officers should liaise with MoFPED to ensure timely release of funds to participating entities to enable them to implement planned road works.

(ii) Review of the implementation of Grant activities

I reviewed the implementation of the Grant activities and noted the following:

- Rubindi – Buhweju Boarder road project worth UGX.300,000,000 in Mbarara District Local Government was implemented by the entity using Force Account mechanism without authorisation by the Ministry. Implementing projects using Force on Account contravened the grant guidelines.
- 3 LGs had no evidence of material testing before construction of the approved road works. This may result in shoddy works and loss of government funds.
-

The Accounting Officers did not provide response.

Recommendation

The Accounting Officers should always adhere to the grant guidelines or seek authorization for any deviation.

(iii) Inspection of service delivery indicators of Transitional road rehabilitation Grant

I conducted physical inspections between October and November 2023 on 8 road projects implemented at UGX.10.809Bn in 7LGs to assess performance of the Grant. I observed the following;

- 0.8 Km on Swazi road, Bushenyi DLG had off shoots that were not worked on leading to the washing away of bituminous layers and seals by water run offs.
- 68.7 Km road in Butambala DLG on which installed culverts had no head walls which allowed soil erosion to affect the drainage system.
- 104.1 Km rehabilitation road works in Kagadi DLG were undertaken as per BOQs, however, Nguse River has since crossed over a portion of the road making it inaccessible by the community.
- No road works were undertaken on the 159 Km road in Kibaale District LG.
- Construction of 177Km roads in Kibaale DLG, Nakapiripirit DLG and Wakiso DLG had not been completed at the time of inspection indicating that the projects had delayed by an average of 183 days.

The Accounting Officers attributed the above to inadequate funding that has affected planned works on the roads

Recommendation

The Accounting officers should ensure that the identified snags are rectified.

6.6. Implementation of Uganda Intergovernmental Fiscal Transfers (UGIFT) Program

The Government of Uganda (GoU) developed the Intergovernmental Fiscal Transfers Reform Program (IGFTRP) to address challenges faced in financing Local government service delivery across all decentralized service delivery.

As such, GoU introduced the UGIFT program as a mechanism of supporting IGFTRP for results aimed at increasing adequacy, improving equity and efficiency of Local Government financing to service delivery.

Out of 141 participating LGs, I assessed the performance of the program in 125 (89%) LGs which had budgeted for UGX.359.511Bn and received UGX.348.410Bn (97%) in the financial year 2022/23. Out of the amount received, the LGs spent UGX.249.612Bn (72%) leading to un-utilized funds of UGX.98.798Bn.

Below is a breakdown of the planned and actual activities that were implemented using the program funds.

Table 65: Planned and actual activities that were implemented using the program funds

SN	Activity	Planned quantity	Actual quantity
1	Construction of seed schools	144	135

SN	Activity	Planned quantity	Actual quantity
2	Upgrading of HC II to HC III and Supply of medical equipment	233	227
Total		**377**	**362**

I designed audit procedures to determine whether UGIFT activities were implemented and monitored in accordance with applicable laws, regulations and Guidelines and observed the following;

(a) <u>Areas of Commendation</u>

I noted the following areas where LGs had commendable performance:

- Out of 125 LGs, 114 (91%) LGs received all the funds budgeted.
- Activities implemented in the 125 LGs were budgeted for.
- In the 125 LGs, all funds were accounted for.

(b) <u>Areas of Improvement</u>

I noted the following areas were the LGs need improvement;

(i) <u>Funding and Absorption</u>

I reviewed the budget performance of LGs and noted the following;

- A total of UGX.348.410Bn (97%) was released to 125 Districts out of UGX.359.511Bn budgeted leading to underfunding of UGX.11.101Bn. This resulted into partial/non implementation of 57 key infrastructural facilities in schools and health centres.

- Out of the funds received, UGX.249.612Bn (72%) was utilised leaving UGX.98.798Bn (28%) un-utilized. The under absorption led to failure to upgrade/construct 14 health centres and 23 seed schools.

As a result, this delayed the provision of the planned education and health services to the intended beneficiaries.

The Accounting Officers attributed this to;

- Budget cuts and late release of funds
- Delayed procurements caused by the hybrid procurement approach.
- Lack of capacity by the contractors to implement multiple projects with similar target dates in dispersed districts.

<u>Recommendations</u>

- MoFPED should ensure that funds are timely released as budgeted. Meanwhile, un-implemented activities should be rolled-over to the subsequent financial years.

- Ministry of Education and Sports and the Ministry of Health should review the hybrid procurement approach and iron out the attendant bottlenecks.

6.7. UGIFT infrastructure Projects implemented on untitled Land

The PS/ST in a letter dated 04th November 2020 notified Accounting Officer that all Local Governments should ensure that land on which UGIFT projects are being implemented is formally owned by government.

I noted that 75 LGs did not have land titles for various pieces of land on which 143 UGIFT infrastructure projects worth UGX.199.871Bn were implemented.

There is a risk of loss of funds while settling land disputes including loss of the infrastructure.

The Accounting Officer attributed this to;

- The institutional ownership of the land such as land belonging to faith based and traditional institutions who prefer memorandum of understanding to transferring title.
- Inadequate funds to process land titles.

Recommendation

The Accounting Officers should;

- Continue engaging MoES and MoH to ensure that faith based and traditional institutions allow the processing of land titles
- Adequately plan for titling of land and engage MoFPED for release of funds.

(a) Inspection of UGIFT activities

I conducted physical inspections of 230 UGIFT projects worth UGX.246.246Bn in 103 LGs between September and December 2023 to assess indicators of service delivery. I noted the following;

- 146 out of 230 projects inspected were not completed while, 116 had defects ranging from unfitted doors and windows to un-installed water and electrical fittings.
- Project delays ranging from 20 to 365 days in 21 LGs.
- 17 projects in 12 LGs were abandoned and works had stalled.
- The Accounting Officers attributed this to;
- Bad terrain in mountainous areas where the cost of construction was higher than estimated.
- Delayed release of funds by MoFPED.

However, I noted that delayed completion of project was due to inadequate monitoring and supervision of projects by management.

Recommendation

The Accounting Officers should:

- Ensure that during planning and budgeting, the cost drivers associated with the site topography are considered to encourage contractors not to abandon projects in such places.
- Strengthen monitoring and supervision of construction projects.
- Engage MoFPED for timely release of funds.

6.8. Implementation of Uganda Road Fund

The Uganda Road Fund (URF) was established in 2008 under an Act of Parliament. The objective of the Fund is to finance routine and periodic maintenance of public roads in Uganda.

I sampled 44 (25%) LGs out of 176 LGs to assess the performance of the fund, and I made the following observations;

a) Funding

I noted that 44 LGs budgeted to receive UGX.39.145Bn for routine manual, routine mechanized and periodic maintenance of roads. Out of the budgeted amount, UGX.33.918Bn (87%) was received leading to a variance of UGX.5.227Bn.

Out of the received funds, the LGs transferred UGX.9.301Bn to Lower Local Governments and retained UGX.24.618Bn.

The underfunding affected the road maintenance plans in the LGs, thus affecting service delivery.

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

Recommendation

The URF should ensure that the LGs road maintenance work plans are adequately funded.

b) Status of implementation of road activities

Out of the funds retained, I noted that 44LGs planned to rehabilitate 8,994Km of roads using routine manual, routine mechanized and periodic maintenance at a cost of UGX.17.800Bn. However, only 5,773Km (64%) were rehabilitated at a cost of UGX.13.469Bn (76%). Details are shown in the table below.

Table 66: Roads rehabilitated at a cost of UGX.13.469Bn

Category	Planned Length (KM)	Planned Annual Expenditure (UGX. Bn)	Actual length (KM)	Actual Expenditure (UGX. Bn)
Routine Manual Maintenance	6,597	3.283	3,997	2.369
Routine Mechanized Maintenance	2,075	7.930	1,601	6.428
Periodic Maintenance	322	6.588	175	4.672
Total distance	**8,994**	**17.801**	**5,773**	**13.469**

Source: URF work plan and quarterly performance reports

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

- 29 LGs planned to maintain 6,597 km under routine manual maintenance at a cost of UGX.3.287Bn however only 3,997km (61%) were maintained at cost UGX.2.369Bn (72%).
- 32 LGs planned to maintain 2,075 km under routine mechanised maintenance at a cost of UGX.7.930Bn, however only 1,601 km (77%) were maintained at cost UGX.6.428Bn (81%).
- 14 LGs planned to maintain 322 km under periodic maintenance at a cost of UGX.6.587Bn, however only 86 km (27%) were maintained at cost UGX.4.672Bn (71%).

The Accounting Officer attributed this to budget cuts and late release of funds. They further explained that the inadequate and unmaintained road construction equipment hindered the road coverage maintenance.

Recommendation

MoFPED and URF should adequately fund the LG road maintenance budgets and work plans and ensure timely releases of these funds.

6.9. Uganda Support to Municipal Infrastructure Development, Additional Financing (USMID-AF)

Uganda Support to Municipal Infrastructure Development (USMID) Program is a USD 360 million World Bank/IDA project which is implemented under MoLHUD to support infrastructure development in 22 Municipals/Cities and 11 refugee hosting districts. This is a five-year program that commenced in the financial year 2018/19 and ending in 2022/23.

The purpose of USMID-AF Program is to;

- Leverage institutional strengthening at the municipal LGs
- Improve municipal urban infrastructure
- Support selected district LGs hosting refugees to improve planning, land tenure security, and small-scale infrastructure investments.

Out of 33 LGs, I assessed performance of 32 LGs (97%) which received UGX. 459.819Bn (98%) out of UGX.470.681Bn budgeted for.

I developed procedures to ascertain whether the USMID-AF Program funds were disbursed and utilized for the intended purposes to achieve program objectives. As a result, I noted the following areas where management had commendable performance;

- 32 out of 33 participating LGs' technical teams identified and prioritised gaps in the community-based services, and specific infrastructure to be funded.
- There was no diversion of program funds in the 32 assessed LGs.
- All projects/subprojects implemented in the 32 LGs were captured in the entity work plans and budgets for the financial year under review.

However, I noted the following areas for improvement;

a) Planning

Sixteen (16) funded projects of UGX.70.702Bn in 4 LGs were not included in the LG's budgets and work plans as shown in table below.

SN	Entity Name	No. of critical projects selected and prioritized that were not included in the district budgets	Total planned expenditure (UGX. Bn)
1	Apac Municipal Council	3	39.535
2	Kitgum Municipal Council	5	7.556
3	Moyo District Local Government	1	2.619
4	Yumbe District Local Government	7	20.991
	TOTAL	**16**	70.702

This distorts planning and budgeting at LGs and could lead to implementation of non-priority projects thus affecting the attainment of district objectives.

The Accounting Officers explained that MoLHUD provides Indicative Planning Figures (IPFs) in lump sum amounts without specific and quantified activities to be implemented. They further attributed it to delayed approval of designs by MoLHUD.

Recommendation

MoLHUD should provide IPFs with specific and quantified activities to be captured in the LG budgets and work plans. In addition, the Ministry should ensure timely approval of project designs.

b) Funding and Absorption

I reviewed funding and absorption of the grant and noted the following;

- Out of the approved budget of UGX.470.681Bn for USMID AF activities, UGX. 459.819Bn was released to 32 LGs during the period under review representing 98% performance.

- Out of the released amount, UGX.334.294Bn (73%) was spent by the 32 LGs leading to an under absorption of UGX.125.526Bn.

Budget shortfalls and failure to absorb funds affect service delivery.

The Accounting Officers attributed the underutilization of funds to majorly delayed procurement, delayed project commencement which was occasioned by delays in design approvals, unfavourable weather conditions which affected the timely implementation of projects.

Recommendation

MoLHUD should ensure timely design approval to kick start the procurement process in time.

c) Implementation of Program activities

(i) Inspection for service delivery projects implemented in 2022/23

I sampled 129 (60.5%) out of 213 infrastructural projects with a total expenditure of UGX.334.294Bn in the 32 LGs to ascertain the extent of service delivery in regard to; existence, quality, adequacy, time, cost and functionality; and ascertain the cause and likely impact of the exceptions.

I observed that 80 activities had the following shortcomings:

- Seventy-Seven (77) out of the 129 projects in 29 LGs had delayed and works were still on going beyond the expected end date.
- Two (2) projects out of the 129 projects in two LGs had road defects hence affecting the useful life of the road.
- Entebbe Municipal Council (MC) planned and completed Entebbe Kitoro taxi park project. However, the taxi parking spaces and waiting shades were inadequate to match the current demands.

The Accounting Officers majorly attributed it to the inadequate capacity of contractors and slow implementation of works by the contractors.

Recommendation

The Accounting Officers should ensure that:

- Thorough evaluation is done of potential contractors to ascertain their capacity to implement works and also further engage contractors to ensure that works are expedited and fully executed as per the BoQs in order to deliver services to the communities in a timely manner.

- that contractors remake the sections on affected projects during the defect's liability period.
- Plans and designs approved are in tandem with the current demands and also future growth of the community.

(ii) Utilization of the Wage Budget

154 LGs had an approved wage budget of UGX.2.596Tn and obtained supplementary funding of UGX.643,861Bn resulting into a revised wage budget of UGX.3,240Tn of which UGX.3.192Tn (98.5%) was warranted resulting into unwarranted funds of UGX.47.987Bn.

Out of the total warrants, UGX.2.884Tn was utilized by the 154 LGs resulting in un-utilized warrants of UGX.307.711Bn representing utilization of 90% as summarized in the table below.

Approved Budget UGX. Tn	Supplementary UGX. Tn	Revised Budget UGX. Tn	Warrants UGX. Tn	Payments UGX. Tn	Unspent Balance UGX. Tn
2.596	0.643	3.240	3.192	2.884	0.307

From the analysis, I noted that there was an under absorption of UGX.307,710,786,321 on the wage budget.

As a result, recruitment of staff could not be undertaken thus affecting service delivery. In addition, release of excess funds leads to constraining other Government priorities.

The Accounting Officers explained that the under absorption was caused by;

- Late release of supplementary funding in the last month of the financial year.
- Failure to undertake recruitment exercise due to ban on recruitment.
- Supplementary Funds received in excess of the request by the Accounting Officers.
- Supplementary funds received but not requested.

Recommendation

- The PSST should ensure that only requested supplementary funds by Accounting Officers are approved and released timely.
- Accounting Officers should ensure that the budgets are based on realistic human resource requirements of the entities.
- Accounting Officers should liaise with MoPS to ensure that the ban on recruitments is lifted. Meanwhile, recruitment of critical positions should be considered by the MoPS for a waiver.

6.10. District Rural Water Supply and Sanitation Conditional Grant (DWSSCG)

The District Rural Water Supply and Sanitation Conditional Grant implemented in 135 District Local Governments is a government program intended to realize Sustainable

Development Goal (SDG) No.6, which is the attainment of universal and equitable access to safe and affordable drinking water by 2030.

The grant aims to develop, rehabilitate and carry out major repairs of rural water infrastructure that enables access to clean and safe water. The grant also aims at funding the operation and maintenance of piped water systems in small towns within a district.

I sampled 86 (64%) out of the 135 Districts to assess performance of the Grant and noted that the districts received UGX.51.026Bn (99.81%) out of UGX.51.123Bn budgeted for the financial year 2022/23. Furthermore, out of the received funds, UGX.48.916Bn (95.87%) was spent leading to un-utilized funds of UGX. 2.109Bn.

Below is a breakdown of the planned and actual activities that were implemented using the Grant.

Table 67: Breakdown of planned and actual activities using DWSSCG Grant

SN	Category	Activity	Planned quantity	Actual quantity
1	Rural Water and Sanitation Sub-Grant (traditional component)	Construction of boreholes	1,898	1,892
		Rehabilitation of boreholes		
		Construction of VIP latrine		
2	Piped Water Sub-Grant (UgIFT component)	Construction of piped water schemes	483	479
Total			**2,381**	**2,371**

I designed audit procedures to assess whether the utilization of the District Water Supply and Sanitation Conditional Grant was done in accordance with the grant guidelines. The following were my observations:

(a) Positive observations

I noted the following areas where management had commendable performance;

- 32 of the districts had their designs approved by the Ministry of Water and Environment
- 61 districts had activities derived from the five-year development as per the grant requirement.
- Water tests for all new water sources were undertaken in all districts to ensure that the water is suitable for human consumption.

(b) Areas of Improvement

I noted the following areas where the Districts needed improvement;

(i) Planning

The District Rural Water Supply and Sanitation Conditional Grant Budget and Implementation Guidelines for Local Government, 2022 provides that:

- The proposed investments are derived from the approved LG Development Plan.

- prescribes the thresholds for allocation of rural water and sanitation sub-grant (traditional component), and piped water sub-grant (UgIFT component),
- An indicative list of capital investments and other development activities to be funded.
- LGs should prioritise water supply investments for sub-counties that have below district average water coverage rates, seed schools that are being constructed, and health centres that are being upgraded.

I reviewed the planning of districts and noted the following;

- In Alebtong, Kapchorwa and Kabarole Districts, 10 projects in the water grant work plan were not in the approved five-year development plan. This distorts planning and budgeting and may lead to diversion of funds to non-priority activities.
- The Accounting Officer explained that the limited resource envelope could not allow extension of piped water.
- 54 Projects (Seed schools and Health Centres) in 28 Districts were not allocated water sources.

The Accounting Officers explained that some of the UGIFT projects were located water stressed areas which required expensive technology to provide water.

Recommendation

The Accounting Officers should;

- expedite completion of UGIFT projects and ensure that they are connected to water sources.
- engage the Grant managers to increase funding to the piped water sub-component, and also engage other development partners for additional funding.
- Prioritize UGIFT projects for water connectivity

(ii) Budgeting

I reviewed the budget performance of LGs and noted the following;

- A total of UGX. 51.026Bn (99.81%) was received in 86 Districts, out of UGX.51.123Bn budgeted. Out of the funds received, UGX.34.823Bn (68.25%) related to Rural Water and Sanitation Sub-Grant (traditional component), and UGX. 16.202Bn (31.75%) related to Piped Water Sub-Grant (UgIFT component).

The Accounting Officers attributed this to Grant budget cuts for which they have no control.

Recommendation

The Accounting Officers should engage the Ministry of Water and Ministry of Finance, Planning and Economic Development to ensure that funds are released as budgeted.

(iii) Absorption

Out of the funds received for the Rural Water and Sanitation Sub-Grant (traditional component), UGX. 33.926Bn (97%) was spent leaving UGX. 896.71Mn (3%) un-utilized. Furthermore, out of the funds received for the Piped Water Sub-Grant (UgIFT component), UGX. 14.989Bn (93%) was spent leaving UGX. 1.212Bn (7%) un-utilized.

The Accounting Officers explained that;

- there were delayed approvals of designs by the Ministry of water and Environment
- the contractors encountered challenges with equipment break downs.
- there were delayed commencement of works by the contractors.
- there were delays in the procurement processes for the construction of the piped water schemes.

Recommendation

The Accounting Officers should;

- engage the Ministry of Water and Environment to ensure that project designs are approved in time.
- Enhance supervision of construction works to ensure that the projects are completed within the agreed timelines.
- Ensure timely commencement of procurement processes as provided in the grant guidelines.
- In addition, the un-implemented activities should be rolled-over to the subsequent financial years.

(iv) Review of the Implementation of the Grant activities

I reviewed the implementation of the Grant activities and noted the following;

- Out of the planned 1125 projects in 76 Districts, 1087 were fully implemented, 22 were partially implemented and 16 activities were not implemented.

- 16 projects in 10 Districts did not have their designs approved by the Ministry of Water and Environment.

- A review of the annual District water sector performance reports revealed that 4,941 (14.43%) out of 34,240 existing water facilities in 40 districts were not functioning. The Accounting Officers explained that some of the existing boreholes were beyond repair and recommended for decommissioning.

- A review of the annual District water sector performance reports revealed that 19 (22.3%) out of 85 new water facilities in 11 districts were not functioning.

- A review of the District water quality reports in 51 districts revealed that only 4,086 (12.27%) of the 33,313 existing water sources were tested contrary to the standard requirement of 20%. The Accounting Officers attributed the above to insufficient funds to procure water quality testing kits.

- I noted that in 15 Districts, 85 inspected water facilities did not have functional water user committees to ensure sustainable water facility usage. The Accounting Officers attributed this to inadequate funds to facilitate monitoring of the water user communities.

- Physical inspections of 571 water facilities in 67 Districts revealed that 535 (93.7%) were functional, 17 (2.98%) were not functional properly while, 19 (3.33%) were not functional.

Key Recommendation

The Accounting Officers should:

- Adequately budget and prioritize the rehabilitation and maintenance of boreholes, and facilitation of monitoring and supervision of water user communities.
- Engage MOFPED and Ministry of Water and Environment for adequate release of funds and development partners for additional funding.
- Prioritize the replacement of boreholes that are beyond repair and due for decommissioning.
- Ensure contractors correct all the defects identified before the expiry of the defects liability period and payment of the final certificate.

APPENDICES

Appendix 1: FOR PUBLIC CORPORATIONS AND STATE ENTERPRISES THAT WERE TO BE CONSOLIDATED

No.	Entity	Nature	Remarks
1	Uganda Printing and Publishing Corporation	Corporation	Consolidated
2	Post Bank Uganda Limited (Dec 2022)	Enterprise	Consolidated
3	Bank of Uganda	Corporation	Consolidated
4	Uganda Electricity Generation Company	Enterprise	Consolidated
5	Pride Micro Finance (Dec 2022)	Enterprise	Consolidated
6	National Housing and Construction Company Limited	Enterprise	Consolidated
7	Uganda Development Bank Limited	Enterprise	Consolidated
8	National Water and Sewerage Corporation	Corporation	Consolidated
9	Uganda Electricity Transmission Company Limited	Enterprise	Consolidated
10	Uganda Wildlife authority	Corporation	Consolidated
11	Uganda Electricity Distribution Company Limited	Enterprise	Consolidated
12	The Microfinance Support Centre Ltd	Enterprise	Consolidated
13	Civil Aviation Authority	Corporation	Consolidated
14	New Vision Printing and Publishing Company Limited	Enterprise	Consolidated
15	Uganda Wildlife Conservation education Centre	Corporation	Consolidated
16	Uganda Development Corporation (Group)	Corporation	Consolidated
17	National Drug Authority	Corporation	Consolidated
18	Uganda Post Limited	Enterprise	Consolidated
19	Mandela National Stadium	Enterprise	Consolidated
20	Kilembe Mines Limited	Enterprise	Consolidated
21	Uganda Railways Corporation	Corporation	Consolidated
22	Uganda National Airlines Company Limited	Enterprise	Consolidated
23	Electricity Regulatory Authority	Corporation	Consolidated
24	National Enterprises Corporation(NEC)	Corporation	Consolidated
25	Uganda Property Holding	Enterprise	Consolidated
26	kiira Motors Corporation	Enterprise	Consolidated
27	Uganda Communications Commission	Corporation	Consolidated
28	Housing Finance Bank	Enterprise	Consolidated
29	Insurance Regulatory Authority	Corporation	Consolidated
30	Uganda Broadcasting Corporation	Enterprise	Consolidated

No.	Entity	Nature	Remarks
31	Deposit Protection Fund of Uganda	Corporation	Consolidated
32	Uganda National Oil Company Limited	Enterprise	Consolidated
33	Uganda Air Cargo Corporation	Enterprise	Consolidated
34	Uganda Seeds Limited	Enterprise	Consolidated
35	Uganda Livestock Industries	Enterprise	Consolidated
36	NEC Construction Works & Engineering Limited	Corporation	Consolidated under NEC
37	NEC Agro Limited	Corporation	Consolidated under NEC
38	NEC Luwero Industries Limited	Corporation	Consolidated under NEC
39	NEC Uzima Limited	Corporation	Consolidated under NEC
40	Nile Hotel International Limited	Enterprise	Consolidated under UDC
41	Soroti Fruits Limited	Enterprise	Consolidated under UDC
42	Munyonyo Common Wealth Resort	Enterprise	Consolidated under UDC
43	Speke Resort Convention Center Ltd	Enterprise	Consolidated under UDC
44	Amber House	Enterprise	Consolidated under UDC
45	Development House	Enterprise	Consolidated under UDC
46	Pheonix Logistics	Enterprise	Consolidated under UDC
47	Embassy House	Enterprise	Consolidated under UDC
48	Tri-Star Apparels Limited	Enterprise	Consolidated under UDC
49	Abubaker Technical Services Ltd	Enterprise	Consolidated under UDC
50	Kalangala Infrastructure Services Ltd	Enterprise	Consolidated under UDC
51	Mbale Growers Tea Factory Limited	Enterprise	Consolidated under UDC
52	Kigezi Highland Tea Limited	Enterprise	Consolidated under UDC
53	Kayonza Tea Factory Limited	Enterprise	Consolidated under UDC
54	Horyal Investments Holding Company Ltd	Enterprise	Consolidated under UDC
55	Kaaro Koffi Limited	Enterprise	Consolidated under UDC
56	Uganda National Commodity Exchange	Enterprise	Consolidated under UDC
57	Budadiri Arabica Coffee Mills Limited	Enterprise	Consolidated under UDC
58	Mutuma Commercial Agencies	Enterprise	Consolidated under UDC
59	Mpanga Growers Tea Factory Limited	Enterprise	Consolidated under UDC
60	Bukona Agroprocessors Limited	Enterprise	Consolidated under UDC
61	Uganda Refinery Holding Company Limited	Enterprise	Consolidated under UNOC
62	Uganda National Pipeline Company Limited -UNOC	Enterprise	Consolidated under UNOC
63	Enterprise Uganda Limited (Company Limited by Guarantee)	Enterprise	Disclosed and not consolidated

No.	Entity	Nature	Remarks
64	Uganda Energy Credit Capitalization Co. Ltd (Company Limited by Guarantee)	Enterprise	Disclosed and not consolidated
65	Nakivubo War Memorial Stadium(concession)	Enterprise	Disclosed and not consolidated
66	Uganda Crane Industries Ltd.	Enterprise	Disclosed and not consolidated
67	Production Enterprises Corporation Limited	Enterprise	Disclosed and not consolidated
68	Kampala Industries and Business Park Limited	Enterprise	Disclosed and not consolidated
69	Science and Technology Equipment Production (Unit) Ltd	Enterprise	Disclosed and not consolidated
70	UGMA Engineering Corporation Limited	Enterprise	Disclosed and not consolidated
71	Housing Finance Investments	Enterprise	Disclosed and not consolidated
72	Bujagali Energy Limited(Concession)	Enterprise	Disclosed and not consolidated
73	Dairy Corporation Limited	Enterprise	Disclosed and not consolidated
74	Uganda Fisheries Enterprises Limited	Enterprise	Not consolidated and not disclosed
75	Insurance Training college	Corporation	Not consolidated and not disclosed
76	Uganda Telecommunications Corporation Limited(UTCL)	Corporation	Not consolidated and not disclosed
77	Uganda Hotel and Tourism Training Institute	Corporation	Not consolidated and not disclosed

Appendix 2: Inconsistencies in the submitted information

a) Inconsistencies in the Statement of Performance

No	Entity	Operating Revenue (UGX) "Bn"			Operating Expenses (UGX) "Bn"			Other Gains and Losses (UGX) "Bn"			Surplus/Deficit(UGX) "Bn"			Retained Earnings (UGX) "Bn"		
		Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance
1	Bank of Uganda	1,168.15	1,039.86	128.29	696.75	603.19	93.56	(193.65)	(205.47)	11.82	277.75	277.75	(0.00)	1,641.72	1,641.72	(0.00)
2	Electricity Regulatory Authority	38.65	38.71	-0.06	37.89	37.89	0	-0.09	-0.15	0.06	0.67	0.67	0	-31.85	31.58	-63.43
3	Insurance Regulatory Authority of Uganda	24.56	24.56	-	24.12	23.79	0.33	-	(0.05)	0.05	0.44	0.44	-	57.94	53.35	4.59
4	National Enterprises Corporation	232.95	300.27	(67.32)	215.47	284.18	(68.71)	-	-	-	17.48	9.49	7.99	26.78	24.12	2.66

No	Entity	Operating Revenue (UGX) "Bn"			Operating Expenses (UGX) "Bn"			Other Gains and Losses (UGX) "Bn"			Surplus/Deficit(UGX) "Bn"			Retained Earnings (UGX) "Bn"		
		Summary Statement	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**
5	National Drug Authority	82.62	82.68	(0.07)	80.66	82.77	(2.11)	(0.67)	(0.85)	0.18	1.29	(0.76)	2.05	140.43	138.38	2.05
6	National Water & Sewerage Corporation	543.08	550.04	(6.96)	606.02	451.33	154.69	-	-	-	(62.94)	40.79	(103.73)	918.71	415.52	503.19
7	Uganda Civil Aviation Authority	0.28	283.37	(283.09)	0.32	248.55	(248.23)	0.01	-	0.01	(0.04)	39.58	(39.62)	0.23	309.56	(309.33)
8	Uganda Communications Commission	154.66	-	154.66	126.60	-	126.60	-	-	-	28.05	-	28.05	55.37	-	55.37
9	Uganda Development Corporation	26.57	-	26.57	24.86	-	24.86	(2.36)	-	(2.36)	(0.66)	-	(0.66)	(20.16)	-	(20.16)
10	Uganda Printing and Publishing Corporation	7.01	7.03	(0.01)	10.09	3.06	7.03	5.43	-	5.43	2.35	3.06	(0.71)	14.12	13.72	0.40
11	Uganda Railways Corporation	30.46	32.06	(1.60)	63.29	63.06	0.23	0.03	-	0.03	(32.80)	(35.18)	2.38	(339.58)	(408.14)	68.57
12	Uganda Wildlife Conservation Education Centre	15.87	15.87	-	14.94	14.94	-	-	-	-	0.93	0.93	-	14.07	14.07	-
13	Deposit Protection Fund Uganda	235.52	235.52	-	21.49	21.49	-	39.09	39.09	-	253.13	253.13	-	1,349.43	1,349.43	-
14	Kiira Motors Corporation Limited	2.15	1.27	0.88	15.09	15.09	-	-	-	-	(12.94)	(12.92)	(0.02)	(38.02)	(38.02)	-
15	Mandela Stadium Limited	5.30	5.30	-	3.00	2.97	0.03	-	-	-	2.30	2.33	(0.03)	260.59	260.59	(0.00)
16	The Micro Finance Support Centre Ltd	113.25	-	113.25	105.64	-	105.64	(2.01)	-	(2.01)	5.59	-	5.59	(55.26)	-	(55.26)
17	Post Bank Uganda Limited	96.14	120.99	(24.86)	78.40	102.64	(24.24)	(6.50)	2.11	(8.61)	11.24	15.16	(3.93)	11.24	19.10	(7.86)
18	Pride Microfinance Limited	56.12	-	56.12	50.26	-	50.26	(4.81)	-	(4.81)	1.05	-	1.05	134.38	-	134.38
19	Uganda Post Limited	13.51	9.89	3.62	13.11	9.81	3.30	-	-	-	0.40	397.16	(396.77)	50.90	(6.10)	57.00
20	Uganda Broadcasting Corporation Limited	21.03	-	21.03	34.08	-	34.08	(0.30)	-	(0.30)	(13.35)	-	(13.35)	12.53	-	12.53

No	Entity	Operating Revenue (UGX) "Bn"			Operating Expenses (UGX) "Bn"			Other Gains and Losses (UGX) "Bn"			Surplus/Deficit(UGX) "Bn"			Retained Earnings (UGX) "Bn"		
		Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance
21	Uganda Electricity Generation Company Limited	299.89	343.74	(43.86)	246.14	266.29	(20.15)	(3.20)	(28.65)	25.45	50.55	33.99	16.56	(20.54)	(37.10)	16.56
22	Uganda Electricity Transmission Company Limited	195.57	1,447.73	(1,252.15)	126.65	1,382.69	(1,256.04)	(71.35)	60.16	(131.51)	(2.42)	94.93	(97.35)	256.65	276.27	(19.63)
23	Uganda National Oil company Limited	50.52	43.92	6.60	52.43	96.55	(44.12)	(2.76)	-	(2.76)	(4.67)	17.52	(22.19)	(6.03)	(28.82)	22.80
24	Uganda Property Holdings Limited	10.08	10.08	-	7.41	7.41	-	(0.67)	(0.67)	-	2.00	1.09	0.91	24.34	24.34	-
25	Kilembe Mines Limited	1.82	-	1.82	4.22	-	4.22	-	-	-	(2.39)	-	(2.39)	(24.52)	-	(24.52)
26	Uganda Printing and Publishing Corporation	7.01	7.03	(0.01)	10.09	10.09	(0.00)	5.43	2.50	2.92	2.35	(0.56)	2.91	14.12	13.72	0.40
27	National Housing & Construction Company Limited	25.86	25.72	0.14	23.22	18.92	4.30	(0.04)	41.82	(41.86)	2.61	32.64	(30.03)	444.52	474.55	(30.03)
28	Housing Finance Bank Ltd	290.16	-	290.16	211.04	-	211.04	(14.06)	-	(14.06)	65.06	-	65.06	192.21	-	192.21
29	Uganda Air Cargo Limited	10.71	10.71	-	21.25	21.15	0.11	0.05	0.05	-	(10.49)	(10.49)	-	-	(43.56)	43.56
30	Uganda Development Bank Limited	129.20	104.08	25.12	67.46	38.91	28.55	(19.17)	(13.38)	(5.80)	42.57	42.56	0.00	165.87	165.87	-

b) Inconsistencies in the statement of financial position

No	Entity	Share Capital (UGX) "Bn"			Other Reserves (UGX) "Bn"			Financial Assets(current assets) (UGX) "Bn"			Non-Financial Assets(non-current assets) (UGX) "Bn"			Liabilities (UGX) "Bn"			Net worth (UGX) "Bn"		
		Summary Statement	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**
1	Bank of Uganda	20.00	20.00	-	2,396.10	2,396.10	(0.00)	26,627.47	26,627.47	-	420.95	420.95	-	22,990.60	22,990.60	0.00	4,057.82	4,057.82	(0.00)
2	Electricity Regulatory Authority	(0.28)	0.28	(0.56)	(5.24)	5.24	(10.48)	28.76	27.64	1.12	37.21	37.10	0.11	28.59	27.64	0.95	37.37	37.10	0.27
3	Insurance Regulatory Authority of Uganda	-	4.59	4.59	-	-	-	23.74	24.40	(0.66)	48.16	48.68	(0.52)	13.96	15.15	(1.18)	57.94	57.94	-
4	National Enterprises Corporation	148.94	109.82	39.13	-	12.15	(12.15)	257.19	212.64	44.55	112.06	97.88	14.18	159.22	156.46	2.76	210.02	154.06	55.96
5	National Drug Authority	-	-	-	-	-	-	130.78	89.49	41.29	27.95	67.17	(39.22)	18.30	18.29	0.01	140.43	138.38	2.05
6	National Water & Sewerage Corporation	410.89	410.89	-	-	611.13	(611.13)	719.90	701.44	18.46	3,614.38	3,647.98	(33.60)	3,004.67	2,911.88	92.80	1,329.60	1,437.54	(107.94)
7	Uganda Civil Aviation Authority	0.19	191.18	(190.99)	1.86	2,086.61	(2,084.75)	0.30	308.14	(307.84)	3.42	3,826.61	(3,823.18)	1.44	1,547.39	(1,545.95)	2.28	2,587.35	(2,585.07)
8	Uganda Communications Commission	86.08	-	86.08	-	-	-	111.34	-	111.34	117.47	-	117.47	87.36	-	87.36	141.44	-	141.44
9	Uganda Development Corporation	180.69	-	180.69	867.21	-	867.21	799.16	-	799.16	244.25	-	244.25	15.67	-	15.67	1,027.74	-	1,027.74

No	Entity	Share Capital (UGX) "Bn"			Other Reserves (UGX) "Bn"			Financial Assets(current assets) (UGX) "Bn"			Non-Financial Assets(non-current assets) (UGX) "Bn"			Liabilities (UGX) "Bn"			Net worth (UGX) "Bn"		
		Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance	Summary Statement	Verified Figure/FS	Variance
10	Uganda Printing and Publishing Corporation	16.21	4.53	11.68	30.56	11.68	18.88	30.56	9.32	21.24	6.74	27.28	(20.54)	6.96	6.66	0.30	30.33	29.93	0.40
11	Uganda Railways Corporation	(189.99)	386.89	(576.88)	3,786.51	3,781.75	4.76	151.26	63.78	87.47	3,714.76	3,761.28	(46.52)	229.15	64.56	164.59	3,636.87	3,760.50	(123.63)
12	Deposit Protection Fund Uganda	-	-	-	-	-	-	1.40	1.40	-	8.00	8.00	-	55.57	55.57	-	1,349.43	1,349.43	-
13	Kiira Motors Corporation Limited	338.21	336.38	1.83	-	1.83	(1.83)	73.34	73.36	(0.02)	227.49	227.49	-	0.64	0.64	-	300.19	300.21	(0.02)
14	Mandela Stadium Limited	0.10	0.10	-	-	-	-	54.42	54.89	(0.47)	207.47	206.99	0.47	1.19	1.19	-	260.69	260.69	(0.00)
15	The Micro Finance Support Centre Ltd	310.97	-	310.97	-	-	-	312.16	-	312.16	7.14	-	7.14	63.60	-	63.60	255.71	-	255.71
16	Post Bank Uganda Limited	132.66	113.57	19.10	2.95	2.95	-	1,171.57	853.85	317.73	100.14	946.60	(846.46)	1,124.86	810.98	313.88	146.85	135.62	11.24
17	Pride Microfinance Limited	25.21	-	25.21	-	-	-	410.27	-	410.27	33.55	-	33.55	284.24	-	284.24	159.58	-	159.58
18	Uganda Post Limited	19.49	19.49	(0.00)	-	-	-	23.16	2.32	20.84	76.70	94.77	(18.07)	29.47	29.47	(0.00)	70.39	88.46	(18.07)
19	Uganda Broadcasting Corporation Limited	293.46	-	293.46	-	-	-	34.29	-	34.29	325.88	-	325.88	54.18	-	54.18	305.99	-	305.99

No	Entity	Share Capital (UGX) "Bn"			Other Reserves (UGX) "Bn"			Financial Assets(current assets) (UGX) "Bn"			Non-Financial Assets(non-current assets) (UGX) "Bn"			Liabilities (UGX) "Bn"			Net worth (UGX) "Bn"		
		Summary Statement	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**	**Summary Statement**	**Verified Figure/FS**	**Variance**
20	Uganda Electricity Distribution Company Limited	249.97	249.97	(0.00)	-	-	-	150.76	150.82	(0.06)	1,786.34	1,801.10	(14.76)	1,763.32	1.78	1,761.55	173.77	174.88	(1.10)
21	Uganda Electricity Transmission Company Limited	1,530.67	1,533.73	(3.06)	-	85.78	(85.78)	1,672.74	1,567.28	105.45	4,051.38	4,024.03	27.35	3,876.81	3,695.53	181.27	1,847.31	1,895.78	(48.47)
22	Uganda National Oil company Limited	10.02	1,288.92	(1,278.90)	122.62	-	122.62	1,902.42	657.92	1,244.50	6.84	619.38	(612.54)	629.61	17.11	612.50	1,279.65	1,260.09	19.56
23	Uganda Property Holdings Limited	15.52	15.52	-	255.82	255.82	-	6.74	6.74	-	289.49	289.49	-	0.55	0.55	-	295.69	295.69	-
24	Kilembe Mines Limited	0.19	-	0.19	29.20	-	29.20	7.66	-	7.66	28.74	-	28.74	8.18	-	8.18	28.21	-	28.21
25	National Housing & Construction Company Limited	103.04	103.04	-	35.10	36.10	(1.01)	29.80	115.68	(85.87)	624.95	583.14	41.81	72.09	698.81	(626.72)	582.66	613.39	(30.73)
26	Housing Finance Bank Ltd	122.00	-	122.00	-	-	-	1,681.23	-	1,681.23	69.46	-	69.46	1,436.48	-	1,436.48	314.21	-	314.21
27	Uganda Air Cargo Limited	16.29	16.29	-	-	123.20	(123.20)	24.44	24.44	-	78.97	78.97	-	7.47	7.47	-	95.94	95.94	-
28	Uganda Development Bank Limited	1,029.10	1,029.10	-	33.79	33.79	-	1,468.41	1,468.41	-	51.71	51.71	-	291.37	291.37	-	1,228.75	1,228.75	-

ANNEXURE I: SUMMARY OF ENTITY FINDINGS AND OPINIONS FOR MDAs AND PROJECTS

Entity Name	Programme name	Opinion	Summary of Key Findings
Adapting to Climate Change in The Lake Victoria Basin (ACC-LVB)	Climate Change, Natural Resources, Environment and Water Management Development	Unqualified	I noted that; • Management never prepared a project concept note contrary to the requirements of the Project Development Committee Guidelines, 2016. • A project profile was also not prepared contrary to the requirements of the Project Development Committee Guidelines, 2016. • Feasibility studies were not undertaken before commencement of the Project. • The Project was implemented without ever being in the Public Investment Plan contrary to the guidelinesmini. • All (100%) of the expected project disbursements of USD 520,000 (1,880,598,906) were received as planned. • I sampled twelve (12) activities worth UGX 1,872,000,000 and nine (9) activities worth UGX 1,763,358,817 had been fully achieved while three (3) activities worth UGX 108,641,183 were partially achieved. • The entire budget of UGX 577,917,601, all (100%) was available for spending during the financial year under review. • Out of the total available funds of UGX 577,917,601, a sum of UGX 469,349,264 was spent representing an absorption level of 81.2%.
Africa Institute for Strategic Animal Resource Services and Development (AFRISA) Ended 30th June 2019.	Human Capital Development Programme	Unqualified	I noted that; • AFRISA collected education levies (Tuition fees) of UGX.330,402,100 out of the budgeted educational levies of UGX.540,000,000. This resulted in a shortfall of UGX.209,597,900 which is 39% of the budget. • The current AFRISA Executive Director (ED) is also the Company Board Chairperson, thus creating weakness in governance. • UGX.2,715,840 was deducted as WHT from suppliers but had not been remitted to URA by the end of the financial year.
African Centre for Agroecology and Livelihood Systems (ACALISE) Project No.	Human Capital Development Programme	Unqualified	• Out of the funds of USD 1,182,043, IDA disbursed only USD 796,113 (67%), leading to a shortfall of USD 385,930 (33%). • Out of the available funds amounting to USD 1,498,506 (receipt of USD 796,113 and balance brought forward of USD 702,393) for the project, only USD 1,035,396 (69%) was spent, leaving an unspent balance of USD 463,110. • The farm is running at a deficit of USD 7,772.17

126974, Loan No. 5797-UG			• A number of items were purchased for the radio station but were not captured in the ACALISE fixed assets register.
Agricultural Cluster Development Project Ida Credit (ACDP)	Agro-Industrialization Programme	Unqualified	I noted that; • ACDP did not have an approved concept note and project profile by PS/ST and Development Committee respectively and there was no evidence of the economic, environmental, social and financial analysis that was undertaken before the Project approval. • Out of the expected total disbursement of UGX.546Bn, UGX.536.6Bn was actually disbursed leaving a balance of UGX.9.546Bn undisbursed. • Out of the sampled 6 activities worth UGX.333.93Bn, 1 activity worth UGX.2.012Bn had been fully achieved while the remaining 5 activities worth UGX.331.92Bn were yet to be achieved. • Out of the approved budget of UGX.160.696Bn, UGX.74.75Bn was available for spending, resulting in a shortfall of UGX.72.015Bn (47%). Out of the total available funds of UGX.74.75Bn, UGX.72.015Bn was spent resulting in an unspent balance of UGX.2.735Bn representing an absorption level of 96%. • Three (3) activities worth UGX.44.881Bn undertaken were not conducted in a timely manner and were not of expected quality and quantity. • The project lacked adequate sustainability of the Project Investments. • There were unremitted beneficiary farmer balances and Agro- input balances worth UGX.8.903Bn held by UBA and BOU. • Only 208 ACCEs and 150 RPOs have been supported a performance of 69% and 5% of the target respectively. Out of 358 supported farmer groups with matching grants, 100 matching grant facilities were non-operational while 33 facilities were not completed with some facilities lacking the roof, latrines, painting and floor screed. • Out of the planned 334 bottlenecks/chokes to be rehabilitated, only 133 road choke points equivalent to 1,031.5Km (37%) had been worked on.

			• There were significant delays of more than 10 months in the procurement of 2000 tablet computers and rehabilitative works on 24Kms of Farm Access Roads. • There was lack of detailed designs, cases of expired performance and advance payment guarantees, delays ranging from 95 to 628 days to effect payments, stalled works, unsupported payments, quality deficiencies and over payments on a sample of projects.
Agricultural Credit Facility (ACF)	Agro-Industrialization Programme	Unqualified	• There were no reportable issues
Agriculture Value Chain Development Project (AVCDP)	Agro-Industrialization	Unqualified	• The Project had a concept note, project profile and Feasibility study prepared in line with the Development Committee Guidelines. • Out of an expected cumulative total disbursement of UGX.304.379Bn, UGX.119.733Bn was actually disbursed as at 30th June 2023, leaving a balance of UGX.3.932Bn undisbursed. • I sampled 48 activities worth UGX.208,705,576,960 and noted that targets for 12 activities worth UGX.25,629,033,233 had been fully achieved, while targets for the remaining 36 activities worth UGX.183,076,543,727 were yet to be completed. • The Project had an approved budget for FYR.2022/2023 of UGX.84.02Bn, out of which UGX.80.67Bn was available for spending, resulting in a shortfall of UGX.3.35Bn representing 96% performance • Out of the total available funds of UGX.80.67Bn, only UGX.52.91Bn was spent resulting in unspent balance of UGX.27.76Bn representing an absorption level of 66%. The unspent Project operational funds were still held on the Project accounts. • The Project had an average planned duration of 120 days (4 months) for undertaking procurements. However, four procurements worth 14.4Bn were undertaken for an average of 505 days (17 months) each. In another instance, a procurement took 600 days (20 months) since its initiation which significantly affected service delivery.
Albertine Region Sustainable Development Project (ARSDP-MoES)	Sustainable Urbanisation & Housing	Unqualified	I observed the following; • The ARSDP project had not exited the Public Investment Plan by 30th April 2023, yet it had closed. • Whereas the total expected cumulative disbursements of the project funds to date was USD 34,299,830 only USD 32,047,226 was realized representing 93% as at 30th April 2023 when the project closed.

			• A sample of thirty-seven (37) activities valued at USD 26,515,968 revealed that targets for all the thirty-Seven (37) activities of USD 26,515,968.0 had been fully achieved.
Albertine Regional Sustainable Development Project (ARSDP) (Ida Loan Agreement Cr 54060 – Ug)	Human Capital Development	Unqualified	The following was observed; • The Albertine Regional Sustainable Development Project should have exited the Public Investment Plan by 30th June 2023. However, at the time of audit (November 2023), there was no evidence that the project had exited the PIP. • Whereas the civil works of the project were complete and the project handed over UNRA by the contractor, a total of UGX.18,154,768,933 and USD 3,704,733 remained unpaid as 30th June 2023. • Out of the expected total disbursement as per financing agreement of USD 75,890,000, the project utilized the donor funds of USD 68,104,000 that were made available. However, the undisbursed funds of USD 7,786,000 was incurred as foreign exchange losses over the project lifetime arising from delayed completion of civil works. • Out of the expected GOU counterpart funding of USD 6,890,000, USD 4,630,000 were disbursed as at 30th June 2023 leaving a balance of USD 2,260,000. • The project had UGX.49,054,325,373 available for spending for the financial year 2022/2023 however, no project work plan/budget was provided for audit and yet all the funds were spent. • There was no project completion report prepared awaiting final accounts.
ANDREW W. MELLON FOUNDATION GRANT NO. (1808-06062) ON DECOLONIZATION, THE DISCIPLINES AND THE UNIVERSITY	Human Capital Development	Unqualified	• There were no reportables issues.
Arua Hospital	Human capital development	Unqualified	• According to the approved budget, the RRH was supposed to collect revenue to the tune of UGX. 151,000,000 however, by the end of the year only UGX. 130,056,700 had been collected representing 86% performance.

			• Assessment of implementation of nine (9) outputs with twelve (27) activities worth UGX.8.1Bn revealed that Eight (8) outputs with twenty (25) activities and expenditure worth UGX. 1.5Bn were fully implemented while One (1) output with two (two) activities worth UGX. 6.5Bn. were partially implemented. • Arua RRH had 283 employees on the IPPS payroll of which 260 (92%) were fully verified, 15 (5%) partially verified, 8 (3%) did not show up. • A total of 71 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs. • I noted that UGX. 0.015Bn was paid to 3 staff who had either been retired, transferred, absconded or died. These resulted into financial loss to government. • Out of 360 approved positions, a total of 269 positions were filled leaving a gap of 92 vacant positions. In addition, 15 positions were over-filled. • The hospital received off budget financing of UGX 3.19 Bn that was spent and not reported through the IFMS system. There was no approval of the funding by the Minister of Finance. • Out of the total funds released to NMS of UGX.1,38Bn deliveries worth UGX.80,905,600 were not made by. • The Referral Hospital had an x-ray duo-diagnostic heavy duty machine that was non-functional due to failure to update its software. • The hospital had unauthorised multiyear commitments of UGX 8.5Bn.
Atomic Energy Council (AEC)	Energy Development	Unqualified	I observed the following; • Out of the Council's approved budget of UGX 56.87Bn, UGX 11.24Bn was allocated and realized by GOU representing a performance of 20%. The shortfall affected implementation of activities, such as; recruitment, monitoring of radiation facilities, construction of a technical support block, and procurement of environmental monitoring equipment, among others. • UGX 0.52 billion the Council collected UGX 0.33 billion (63%). The unmet revenue of UGX 0.193 billion was linked to insufficient funding from the Government of Uganda, resulting in constraints on inspection and enforcement efforts. • Of the 47 staff on AEC's April 2023 payroll, 43 staff appeared for the validation exercise and were fully verified, two (2) employees were away on study leave and were left on the payroll pending validation upon their return, while two (2) other employees had been terminated at the time of validation and therefore removed

			from the payroll. I further noted that out of the 71 approved positions in the staff establishment, 47 (66%) were filled, leaving 25 positions vacant. • AEC did not include domestic arrears in its annual budget for prior year outstanding commitments, despite reporting a payables balance of UGX 1,342,139,647 in the financial statements.
A-Lite Vein Locator Project of Mbarara University of Science and Technology (Must)	Human Capital Development	Unqualified	• There were no reportable issues
Bank of Uganda	Development Plan Implementation	Unqualified	I noted that; • The financial instruments amounted to UGX 21,638 Bn as at 30 June 2023 (30 June 2022: UGX 18,496 Bn). The allowance for expected credit losses recognised on these financial assets amounted to UGX 376Bn as at 30 June 2023 (30 June 2022: UGX 355 Bn). The determination of expected credit losses was considered a key audit matter because of the significant amounts involved, related estimation uncertainty and the significant subjective judgments involved. • At the year-end, there were pending legal cases and contractual claims where the Bank was a party. Upon resolution of any pending legal matter, the Bank may be forced to incur costs in excess of the established provisions. The determination of legal and contractual claims provisions and contingent liabilities was considered a key audit matter because of the significance of the potential amounts involved, related estimation uncertainty and the significant subjective judgments involved. I also considered that the related disclosures are important to the understanding of the financial statements including that it is possible that the financial position, results of operations or cash flows of the Bank could be materially affected if the outcome is different from the Bank's assessment.
Biennial Update Report (BUR) for the Six Months	Natural Resources, Environment, Climate	Unqualified	I noted that; • Out of the expected total disbursements of USD 342,000 only USD 310,575 (91%) was disbursed.

	Change, Water and Land Management		• Out of the total available funds of US$ 7,928, US$ 7,405 was spent representing an absorption level of 93%. The unspent funds of US$ 523 were still held on the project bank accounts in BOU.
Building and Reflecting on Interdisciplinary PHD Studies for Higher Education Transformation" - NORHED II Project of Makerere University	Human Capital Development	Unqualified	• There were no material issues to report
Bukalasa Agricultural College	Agro-Industrialization	Unqualified	I observed that; • During the financial year 2022/2023, Bukalasa Agricultural College (BAC) had a budget of UGX.8.151 Bn out of which UGX.5.699 Bn was received. • According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX.5.874 Bn during the financial year. However, by the end of the year UGX.3.275 Bn had been collected representing a 55.8% performance • The College had UGX.7.15Bn10 available for spending for the year out of which UGX.6.35 was spent leaving a balance of UGX. 0.8Bn representing 89% utilization. • Four (04) sampled activities with a total budget of UGX.1.834 Bn for assessment which was 22.5% of the total approved budget. I reviewed the extent of quantification and implementation of these activities and noted that all of them were not quantified to enable assessment of performance. • Bukalakasa Agricultural College had outstanding commitments as at the year end to the tune of UGX.302.826 Mn. Comparatively, last financial year, management

			reported outstanding arrears of UGX.240.208 Mn representing a 26% growth in domestic arrears.
Bukalasa Agricultural College for the financial year ended 30th June 2022	Agro-Industrialization	Unqualified	I noted that; • The Comparatives for goods and services in the financial statements were misstated by UGX.5,761,367,831 arising out of unaccounted for funds worth UGX.2,003,605,173 and doubtful supplies worth UGX.1,209,016,885 relating to the financial year 2020/2021. • The College was implementing a contract to Supply, deliver, install, train users and commissioning of equipment for the College and affiliated Institutions during the year however, based on the procedures undertaken, I noted significant delays (sometimes of 40 Months), inappropriate designs and operational challenges. There is a risk that this will affect the usability of the facility and service delivery.
Busitema University	Human capital development		I noted that; • The entity budgeted to collect UGX 8.91Bn during the year. However, by the end of the year UGX 12.043Bn had been collected representing a 135% performance. • The entity had an approved budget of UGX.61.55Bn from the various programmes out of which UGX.52.44Bn was warranted resulting in a shortfall of UGX.9.1Bn representing an 85.2% performance. • A total of 34 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • I noted that out of the UGX.126,234,401,600 budgeted and approved wage funds for the four financial years, only UGX.120,434,937,493 was spent giving rise to unspent balances amounting to UGX.5,799,464,107 • A total of 101 staff were paid a total of UGX.1,097,477,050 off the IPPS/HCMS payroll. This leads to challenges in tracking of Government expenditure on the payroll. Ascertaining the exact amount of Government wage is rendered difficult.

			• I noted that out of 3,559 approved positions, a total of 503 positions were filled leaving a gap of 3,056 vacant positions. Relatedly, 14 staff on the payroll were not on the staff list. • Whereas the entity had domestic arrears brought forward from the financial year 2021/22 of UGX.1,934,862,769 they were not adequately budgeted for. Relatedly, the entity made payments of UGX.356,883,724 for prior year domestic arrears but these had not been budgeted for • It was noted that, the faculty of Science and Education at Nagongera Campus currently has three (3) laboratories with a capacity of less than 40 students each, which is inadequate to support teaching, research, pilot studies and incubation of prototypes. • The faculty of Health Sciences had 551 students enrolled with only 27 virtual desktop computers and 2 desktop servers in the computer laboratory. It was further noted that all the 27 computers available for students were not in use because they required a license to operate. • It was noted that out of thirteen (13) programs only three (3) had been developed, awaiting accreditation from NCHE, Maritime Administration (MoWT) and international accreditation body while others were still under development.
Business Technical and Vocational Education Support Project No. Uga-1022 of The Ministry of Education and Sports	Human Capital Development	Unqualified	• There were no reportable issues
Butabika National Referral Mental Hospital	Human Capital Development	Unqualified	I observed that; • Out of the total receipts for the financial year of UGX.21.67Bn, only UGX.21.57 Bn was spent by the entity resulting in an unspent balance of UGX.0.1Bn (representing an absorption level of 99.5%). As a result, I assessed the implementation of eight

			(8) outputs that had been fully quantified with a total of thirty-five (35) activities and noted that three (3) outputs with five (6) activities were fully implemented while five (5) outputs with twenty nine (29) activities were partially implemented. • Out of the 416 employees on the Hospital payroll, 403 were fully verified, 11 employees on the payroll did not appear and of these 1 was away on official duties while 10 were confirmed either dead, absconded or retired by the time of validation. In addition a total of 2 were not on the payroll but presented all the prerequisite documents and were therefore included on the validated payroll. • A total of 86 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured on the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • Out of the UGX.28,790,398,719 Budgeted and approved wage funds for the period 2019/20 to 2022/23, only UGX.26,424,276,252 was spent giving rise to unspent balances amounting to UGX.2,548,122,664. • The Hospital made underpayments of salaries of UGX.1,197,615 to 5 employees, while overpayments of UGX.31,826,343 were made to 101 employees, and underpayments of UGX.41,593,434 to 331 employees due to wrong scales/notches. One (1) staff was paid a total of UGX.14,566,690 off the IPPS/HCMS payroll. Furthermore, payment of UGX.82,961,766 to 36 short-term staff appointed by the Hospital was not processed through IPPS. • Out of 530 approved positions, a total of 414 positions were filled leaving a gap of 116 vacant positions. • Three (3) on-going court cases worth UGX.568,584,596 were not disclosed in the Hospital's financial statements. • There was inadequate budgeting for domestic arrears by the Hospital which stood at UGX.246,284,770 at the beginning of the financial year. • There was inadequate budgeting for essential medicines, unresolved discrepancies in delivery of medical supplies, poor condition of the medicines store, drug stock outs and staffing gaps in key positions.

			• The hospital had a nonfunctional digital xray and printer, failed to decommission non functional medical equipment and insufficient funding for maintenance of medical equipment. • Regional mental health units had challenges of lack of critical staff, designated space and infrastructure to accommodate mental health patients, drug shortages, and insufficient outreach and technical supervision by Butabika Hospital. • Of the 13,576 patients received in the year 2,175 had escaped from the hospital. • The Hospital Board did neither prepared annual work plans with clear performance indicators and targets nor quarterly reports for submission to the appointing authority hence monitoring of the board and annual assessment by the appointing authority was not done.
Capacity Building for Socially Just and Sustainable Energy Transition in East Africa (SET) Project	Human Capital Development	Unqualified	• There were no reportable issues
Capacity Building for Research Based Teachers (CABUTE) Project No. 61200 Under NORHED II Programme	Human Capital Development	Unqualified	• There were no reportable issues
Capital Markets Authority (CMA)	Private Sector Development	Unqualified	I noted that; • Capital Markets Authority (CMA) had an approved NTR estimate of UGX.4.24Bn for the FY 2022/2023, out of which UGX.3.283Bn had been collected by the end of the year, representing a 77% performance.

			• CMA had an approved budget of UGX.8.57Bn from its one program out of which UGX.6.836Bn was warranted representing a 79.76% performance. • Audit noted that a total of 31 (100%) employees of CMA who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • Out of 41 approved positions on the CMA Structure, a total of 31 positions were filled, leaving a gap of 10 vacant positions. • CMA had failed to align its annual budget with the CMA Industry masterplan. • CMA did not conduct an evaluation on the Functioning of the Board • I noted the CMA had failed to constitute a Capital Markets Tribunal. • CMA has not issued Regulations prescribing fees for various categories of applicants of authorized advisers, transaction advisers, authorized registrars, custodian license, venture capital funds, and commodity exchange, commodities brokers and market adviser • CMA did not collect security deposits for brokers and dealers amounting to UGX.45Mn. • CMA had failed to license primary dealers of Government Bonds.
Capital Markets Authority-Investor Compensation Fund Uganda (ICF)	Private Sector Development	Unqualified	I observed that; • There was irregular composition of the signatories to the ICF bank account with no representative from the Finance department as required in the Treasury Instructions. • The ICF did not have clear cut criteria on how withdrawals are to be made from the Fund.
CASH-IN PRIVATELY MANAGED CASH TRANSFERS IN AFRICA PROJECT	Private Sector Development	Unqualified	• Out of DKK 1,230,589.93 available to spend, only DKK 571,376.99 (USD 84,149.78) was spent by the project resulting in under absorption of DKK 659,212.94 (USD 89,436.11), implying underperformance of 54%. • Makerere University, being the Partner Institution did not return unspent amounts worth DKK 659,212.94 (USD 89,436.11) to the coordinating Institution. • Program funds were placed on a general College pool account in Standard Chartered Bank contrary to the requirements of the agreement of having a separate bank account.

City-Wide Inclusive Sanitation Program Grant OPP1179828 for Year Ended 30th November 2022	Public Sector Transformation	Unqualified	I noted that; • NPA program's activities were not included in the approved KCCA policy statement for the financial years 2021/2022 and 2022/2023. This implies that Parliament did not approve the program activities and work plans as required. • There was a shortfall in GoU funding to the tune of USD. 38,835 representing 18.5% of the budget. Similarly, the programme had a shortfall in releases from external financing amounting to USD.64,471, representing 3.5% of the approved budget. • The programme failed to absorb USD.730,551, representing an absorption level of 59.1%. As a result, I noted that out of the eighteen (18) outputs with fifty-four (54) activities worth USD 1,851,707 planned for execution, six (6) outputs were fully implemented, ten (10) outputs were partially implemented, while two (2) outputs remained unimplemented. • USD 64,470.71 garnished off the program's account on 27th December 2018 to settle other KCCA obligations (the creditor) had not been repaid to the program account by KCCA. • The programme accumulated domestic arrears position at the close of the financial year stood at USD. 51,107. • The programme was experiencing challenges constructing public toilet facilities. At the time of audit (i.e. February 2023), all contracts with providers had expired. Kyanja Agriculture Resource Centre and City Square sites were at 87.5% progress; the works of Nakawa market, Salaama and Kaboowa sites had not commenced and Kalerwe site was at 87% physical progress.
Centres For Disease Control and Prevention (CDC) KCCA component	Human Capital Development	Unqualified	I observed that; • Management manually numbered payment vouchers for project expenses. Manually written references have the inherent risk of human errors. • There were unreconciled variances between the costs reported in the quarterly financial reports and costs recorded in the Schedule of Expenditure of Federal Award (SEFA) from the system totalling USD.78,675. • The Quarter 1 and Quarter 4 reports were not submitted to CDC on time; delaying by 16 days and 2 days respectively. This implies delay in accounting for funds which may disrupt donor relations. • Statutory obligations for the months of September 2021, October 2021, November 2021, December 2021, February 2022, March 2022 and April 2022 were not made

			on time. This may result in tax penalties from the responsible authorities causing financial loss to the project. • There were variances between the actual costs and re-directed budget costs totalling USD.341,377. This renders the budgetary control ineffective.
Climate Change and Infectious Diseases - One Health Approach (CIDIMOH) Project.	Human Capital Development	Unqualified	• There were no reportable issues
Climate Change and Infectious Diseases - One Health Approach (CIDIMOH)-UBG Project	Human Capital Development	Unqualified	• There were no reportable issues.
Climate Smart Agriculture in Sub-Saharan Africa (CSA) Project Under NORHED II Programme	Human Capital Development	Unqualified	• There were no reportable issues
Co- Creating Knowledge for Local Adaptation to Climate Change in LDCS" (COLOCAL) Project No. 68823 Under NORHED II Programme	Human Capital Development	Unqualified	• There were no reportable issues

Competitiveness and Enterprise Development Project (CEDP-AF) Component 1	Sustainable Urbanisation & Housing	Unqualified	I noted that; • The Project had budgeted for donor funds of USD.20.6 Mn (UGX.92.19Bn) of which USD.18.8Mn (UGX.69.6Bn) was received during the year to be spent on different outputs. However, I noted that only UGX.8.36Mn (12%) was utilized leading to under-absorption of UGX.61.30Bn (88%). • The project's work plan that was costed at UGX.92.19Bn and noted the activities worth UGX.64.47Bn have not been undertaken at all. It was established that only 9.1% of the planned activities were implemented. • The project closure date is 31st May 2024. However, there was no documented evidence that Management has put in place sustainability measures to ensure that the gains made during the project lifetime are not lost once the project closes.
Competitiveness and Enterprise Development Project (CEDP-AF) Component 2-3	Public Sector Transformation	Unqualified	I noted that; • UGX.27Mn was collected during the financial year. However, the funds in issue were never budgeted for nor appropriated in Aid Parliament. • The project had remained with only 11 months to closure and yet several activities worth UGX.70Bn have not been executed. • A total of UGX.50.19Bn for the FY 2022/2023 was planned to be spent on different outputs. However, only UGX.36.63Bn (73%) was utilised leading to under absorption of UGX.13.55Bn (27%). • The Project had a contract with a consultant Engineer, which had expired on 5th May 2022 but continued engaging the consultant after the expiry of the contract and paid UGX.134.564Mn without supporting documents. • The contract for the supply and delivery of a Boat for UWEC worth USD.695,000 expired without being performed, exposing the project to the risk of not realising the intended objectives. • The Project had incomplete construction projects with expired contracts at the Uganda Hotel and Tourism Training Institute, with 96% of civil works executed in Phase I and 65.6% in Phase II.
Contingencies Fund	Development Plan Implementation	Unqualified	I noted that; • Parliament had only appropriated UGX.62.07Bn out of the required UGX.223.89Bn to the Contingencies Fund, leading to a deficit of UGX.161.822Bn.

			• The Office of the Prime Minister signed an MoU with M/S Post Bank Uganda Limited (PBU) dated 13th June 2023, to providetransfers to intended beneficiaries in districts of Bududa, Manafwa, Namisindwa and Sironko of Mt Elgon Sub region. I noted that a bank account was opened in July 2023 and UGX.9.55Bn was deposited. I however noted that by November 2023, the entire amount had not been put to the intended use
Coordinating Office for Control of Trypanosomiasis in Uganda (COCTU)	Agro - industrialization	Unqualified	I observed that; • The entity had an approved budget of UGX.3.35Bn out of which UGX.2.05Bn was warranted resulting in a shortfall of UGX.1.37Bn representing a 61% performance. • All the total warrants of UGX.2.05Bn availed to the entity during the year were utilized. • The budgets for all the activities assessed were supported by individual activity costing and budgets. • One (1) output that had been fully quantified with a total of 50 activities worth UGX.2.05Bn was partially implemented. Out of the 50 activities, the entity fully implemented 40 and 10 activities were partially implemented. • Off-budget financing to the tune of UGX.316,606,000 which was not declared to the PSST and as such no supplementary appropriation was issued as guided by the PSST. • A Physical headcount of COCTU Employees and the findings of the salary payroll audit are contained in a separate special payroll audit report of the Ministry of Agriculture Animal Industry and Fisheries
Cotton Development Organization	Agro-industrialization	Unqualified	I noted that; • Out of the budgeted NTR of UGX.4.26Bn, only UGX.3.05Bn was collected, representing a 28% under performance. • Out of the approved budget of UGX.17.23Bn, UGX.16.82Bn was warranted resulting in a shortfall of UGX.0.41Bn (2%). • Out of the total warrants of UGX.16.82Bn the entity utilized UGX.16.75Bn resulting in un-utilized warrants of UGX.0.074Bn representing 99.5% absorption level. • All the 2 outputs sampled with a total of 7 activities worth UGX.13Bn were partially implemented. Out of the seven (7) activities, the entity fully implemented one (1) activity and the six (6) activities were partially implemented. • UGX.0.066Bn was irregularly diverted from the activities on which it was budgeted and spent on other activities without seeking and obtaining the necessary approval.

			• A number of shortcomings in the management of the entity payroll that included; failure to provide minutes of appointment of staff, variances between the approved establishment and the filled positions, salary grades without corresponding amounts, individuals on the payroll above the statutory retirement age and failure to enrol the entity on IPPS/HCM. • The entity had unpaid property tax due to Kampala Capital City Authority amounting to UGX.14,519,661 as at 30th June 2023. • The entity had deficiencies in the Buffer guidelines issued to cotton lint buffer stock beneficiaries that included; failure by the textile millers to make upfront investment of atleast 15%, lack of monitoring reports and low consumption of buffer stocks by spinners.
Covid-19 Economic Recovery and Resilience Response Program (CERRRP) Implemented by Private Sector Foundation Uganda	Development Plan Implementation	Unqualified	I draw attention to; • Note 5.3.1 to the Fund Accountability Statement, which describes the basis of accounting. The Fund Accountability Statement is prepared to assist Private Sector Foundation Uganda in complying with the financial reporting provisions of the contract referred to above. As a result, the Fund Accountability Statement may not be suitable for another purpose. • The fact that the supplementary information presented in United States Dollars (USD) does not form part of the audited Fund Accountability Statement.
Dairy Development Authority (DDA)	Agro-industrialization	Unqualified	I noted that; • Out of the budgeted NTR of UGX.0.63Bn, only UGX.0.42Bn was collected, representing a performance of 66% of the target. • Out of the approved budget of UGX.18.19Bn, UGX.11.25Bn was warranted resulting in a shortfall of UGX 6.94Bn (38%). • Out of the total warrants of UGX.11.25Bn the entity utilized UGX.10.96Bn resulting in un-utilized warrants of UGX.0.284Bn representing 97% absorption level. • Out of the 11 outputs sampled with a total of 76 activities worth UGX.10.96Bn; 2 outputs with 5 activities and expenditure worth UGX.0.087Bn were fully implemented; 9 outputs with 71 activities worth UGX.10.876Bn were partially implemented that is; 23 activities were fully implemented, 18 activities were partially implemented while 30 activities remained unimplemented.

			• DDA received off-budget financing to the tune of UGX.0.195Bn that was not declared to the PSST and as such no supplementary appropriation was issued. • A number of shortcomings in the management of the entity payroll that included inconsistencies in employee details, variances between the approved establishment and the filled positions, underutilization of the appropriated wage budget and failure to enrol the entity on IPPS/HCM. • The entity had outstanding domestic arrears to a tune of UGX.0.417Bn, which decreased from UGX.0.478.9Bn incurred in the previous FYR 2021/2022. • Out of the 55 pieces of land measuring approximately 20.887 hectares owned by the Authority, 30 pieces of land measuring approximately 4.299 hectares did not have land titles. I further noted that DDA was in court over some pieces of land that had been grabbed by unscrupulous individuals. • There were irregularities in rental management where 26 of the Authority's rented properties had no rental agreements or had agreements that had expired by the time of audit. • The Authority had only 16 vehicles for running its regulatory and development mandate across the country. 4 of these were grounded while 7 were in a fair condition but were above 5 years in operation and are due for replacement.
Departed Asians Properties Custodian Board. DAPCB-2022	Development Plan Implementation	Unqualified	I observed that; • The Board budgeted to collect NTR of UGX.1Bn during the year under review. Out of this, UGX.0.21Bn was collected. The figures represent a meagre performance of 20.26% of the target collections. • Contrary to the Treasury instructions that require preparation of detailed costed work plans and outputs, the Board quarterly work plans were not quantified but simply indicated amounts to be spent in the quarter without any specific outputs indicated. I could therefore not tell with clarity the planned outputs and assess in full, the extent of performance. • The Board does not have a comprehensive assets register to date even in light of the impending closure. The copy of the compendium/register availed for audit remains continuously under verification by Management and is still awaiting flag-off by the Board for gazetting. • 115 properties whose owners were compensated through the British High Commission and 87 properties whose owners were compensated through the UNHCR way back in 1999 were not yet sold by the Custodian Board. The valuation of these properties has been long overdue since management committed to expediting the same in 2017.

			• The board had accumulated a total of UGX 0.21Bn in Pay as You Earn tax arrears. Non remittance of the tax negatively aaffects the revenue collection efforts of URA and attracts fines and penalities. • The Board had accumulated 120 courtcases arsining from disputes over the properties under its custoday for which no progress towards resolution shad been registered.
Departed Asians Properties Custodian Board. DAPCB-30th 2023	Development Plan Implementation	Unqualified	I observed that; • The Board budgeted to collect UGX.3.363Bn during the year. However, by the end of the year, UGX.2.488Bn had been collected representing a 73.4% performance. • Contrary to the Treasury instructions that require preparation of detailed costed work plans and outputs, the Board quarterly work plans were not quantified but simply indicated amounts to be spent in the quarter without any specific outputs indicated. I could therefore not tell with clarity the planned outputs and assess in full, the extent of performance. • Two (2) employees were above the statutory retirement age and should have been removed from the entity's payroll though they were still maintained and employed by the Board. • The Board has receivables of UGX.2.8Bn that have remained uncollected for over 10 years. • The Board does not have a comprehensive assets register to date even in light of the impending closure. The copy of the compendium/register availed for audit remains continuously under verification by Management and is still awaiting flag-off by the Board for gazetting.
Deposit Protection Fund	Human Capital Development	Unqualified	• I noted that the allowance for Expected Credit Losses on financial assets is a matter of most significance as it requires the application of significant judgment and the use of subjective assumptions by Directors due to great uncertainty associated with the judgement and assumptions used. The Directors have estimated allowances for expected credit losses of UGX. 0.567 Bn at 30th June 2023 (2022: UGX. 0.504 Bn) using judgements such as the appropriateness of the ECL models used, identification of exposures with significant increase in credit risk; and the assumptions and estimates applied in the calculation.
Development Response to Displacement	Governance and Security	Unqualified	I observed that;

Impact Project (DRDIP) IDA Credit No P152822-UG			• The total cumulative project disbursements from the donors were more than expected by USD.124,487 due to foreign exchange gains. • The project under performed in four (4) sectors while targets for four (4) were fully achieved. • The project had an approved budget of UGX.77.437Bn for the financial year 2022/2023, out of which UGX.79.247Bn was available for spending, representing 102% performance. Only UGX.69.216Bn was spent. • The project developed a sustainability plan that was presented to the World Bank for consideration and approval. Once the plan is approved, it will be fully implemented after project closure. • The project had outstanding receivables to the tune of UGX.12,027,912,530 at the year-end. • Two (2) key procurements, namely purchasing medical equipment and engaging capacity-building partners, were still in process. • I noted lack of detailed designs, delays ranging from 30 to 182 days in completing works, unjustified time extensions, effecting unsupported payments, quality deficiencies and over payments on a sample of projects.
Directorate of Citizenship and Immigration Control (DCIC)	Governance and security	Unqualified	I noted that; • DCIC budgeted to collect UGX.226.255Bn. However, by the end of the year, UGX.344.060Bn had been collected, representing a 150% performance. • Out of the approved budget of UGX.167.156Bn from the various programmes, UGX.160.365Bn was warranted, resulting in a shortfall of UGX.6.08Bn representing 96% performance. • Out of the total warrants of UGX.160.36Bn availed to the entity during the year, UGX.159.02Bn was utilised, resulting in un-utilised warrants of UGX.1.34Bn representing 99% utilisation. • The implementation of 14 outputs that had been fully quantified with a total of 70 activities worth UGX.134.8Bn and noted that seven (7) outputs with 36 activities worth UGX.16.6Bn were partially implemented. • There is no contract or MoU between DCIC and a number of Institutions and parties with whom data is shared to establish the terms, conditions, and responsibilities of the different parties involved in the integration and sharing of information. • 11,111 passports as per the the 'strong room' store records were damaged and could not be issued to citizens. • DCIC procured Mobile kits from UPSC to process passports at a cost of UGX.300Mn. However, these kits were yet to be delivered and used by DCIC.

			• Out of 551 employees, a total of 537 (97%) who appeared for the validation exercise presented all the pre-requisite documents and information and were fully verified. • Fourteen (14) employees on DCIC's payroll did not appear for the validation. • Fifteen (15) individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. • A total of 46 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main payroll and data captured by NIRA on the National Identity cards. • For the period 2019/20 to 2022/23 the budgeted funds for wages were UGX.19.368Bn, out of which UGX.16.970Bn was spent, giving rise to unspent balances amounting to UGX. 2.396Bn. • Out of 759 approved positions, a total of 633 positions were filled, leaving a gap of 126 vacant positions. • DCIC had an outdated staff establishment in comparison to the entity's current needs. • At the time of the audit, DCIC had not taken steps to delete five (5) individuals who had already departed due to retirement, suspension, or transfer of service from the payroll. Despite their departure, DCIC paid UGX.6.714 Million to these former employees.
Directorate of Ethics and Integrity (DEI)	Community mobilization and mindset change Governance and security	Qualified	I noted that; • The Directorate had an approved budget of UGX.15.283Bn from the various programmes, out of which UGX.13.696Bn was warranted resulting into a shortfall of UGX.1.588Bn representing a 89% performance. • Out of the total warrants of UGX.13.696Bn availed to the entity during the year, UGX.11.887Bn was utilized, resulting in un-utilized warrants of UGX.1.809Bn representing 87% utilization. • Funds to the tune of UGX.586.7Mn were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Directorate recievables were misstated by UGX.395.97Mn due to failure to recognize payments to the supplier for vehicles that had not been delivered by year end. The depreciation charge for the year was also misstated by UGX.106Mn by depreciating vehicles that had not been delivered. • The budgets for all ten (10) outputs assessed were not supported by individual activity costing and budgets.

			• Out of the eight (8) outputs reported in the Budget Performance Reports that had been fully quantified with a total of forty-four (44) activities worth UGX.11.241Bn; One (1) output with One (1) activity and expenditure worth UGX.0.354Bn was fully implemented; Six (6) outputs with Fourty two (42) activities worth UGX.10.786 Bn were partially implemented. Out of the fourty two (42) activities, the entity fully implemented fifteen (15) activities; twelve (12) activities were partially implemented, while fifteen (15) activities remained unimplemented, and; One (1) output with one (1) activity worth UGX.0.101Bn was not implemented at all. • All the 70 employees on the Directorate of Ethics and Integrity February 2023 salary payroll, were fully verified. One individual whose names was not on the payroll appeared for the validation exercise with all pre-requisite documents. • A total of three (3) employees on the Main payroll, had inconsistencies in their dates of birth captured in the main payroll and data captured by NIRA on the National Identity cards. • Out of 152 approved positions, a total of 71 positions were filled leaving a gap of 81 positions. • The Directorate flouted procurement procedures in the purchase of two double cabin pick ups in the year at UGX.395.97Mn.
Directorate of Government Analytical Laboratory (DGAL)	Governance and security	Unqualified	I observed that; • The entity budgeted to collect NTR of UGX.0.330Bn during the year but realized UGX. 0.503Bn representing a performance of 152% of the target. • The entity had a budget of UGX. 37.3Bn, out of which UGX. 14.89Bn was warranted, resulting in a shortfall of UGX.22.4Bn. Out of the total warrants of UGX. 14.89Bn received, only UGX. 14.76Bn was spent by the entity resulting in an unspent balance of UGX. 0.13Bn representing an absorption level of 99%. • The budgets for all the four (4) outputs assessed were supported by individual activity-specific costing and budgets • Out of four (4) outputs that had been fully quantified with a total of 20 activities worth UGX.9.88Bn and noted that all the four (4) outputs with 20 activities and expenditure of UGX.9.88Bn were partially implemented. • Only UGX.4.49Bn was released out of the approved budget for the management of forensic services of UGX.21.8Bn, representing a 21% performance. • Of 1,981 forensic cases received by DGAL for forensic analysis and investigation during the year; only 1,163 (59%) cases were concluded, leaving 818 (41%) cases pending.

			• The time from receipt of a request to completion of an investigation takes an average of 121 days • Out of a sample of 1,981 investigations completed during the year, only 1,162 reports had been dispatched to clients, while 819 reports were yet to be issued. • Out of the eight (8) divisions on annual statistics report prepared by management, seven (7) had inconsistencies in their records • There were Inadequate storage facilities for samples and exhibits • Out of the total approved established positions of 64 technical staff, only 37 (58%) were filled, leaving 27 (42%) positions not yet filled • Out of 37 technical staff, only 14 representing (38%) were trained in basic and specialised training, leaving 23 (62%) without any basic training in forensics. • The directorate did not carry out regular maintenance, servicing and calibration of several Laboratory equipment used to examine forensic cases. • Operating licences for the computer forensic tools used by Forensic Recovery of Evidence Device (FRED) were not up to date, while online Library subscription of Fourier transform infrared spectroscopy (FTIR) - AIM Microscope used in Food, drugs and general Chemistry Laboratory got expired in 2019. • The directorate failed to prioritize the usage/operationalization of the case management system. • Out of 63 employees on DGAL's February 2023 salary payroll, a total of 62 (98%) were fully verified, while one (1) employee did not show up. • The Public Service Standing Orders 2021 do not provide guidance on the management of short-term /temporary employees. • Two (2) employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls. • Out of the UGX.9,538,339,924 budgeted and approved wage funds for the four financial years, only UGX.6,098,749,726 was spent giving rise to unspent balances amounting to UGX.3,439,590,198 • A total of 5 staff were paid a total of UGX.89,094,57 off the IPPS/HCMS payroll. • There was over–remittance of UGX.20,694,781 and under-remittance of UGX.310,416,768 of statutory deductions were made by the entity during the period. • There was over–remittance of UGX 957,925 of non-statutory deductions were made by the entity during the period. • Out of 98 approved positions, a total of 71 positions were filled, leaving a gap of 27 vacant positions.

			• Letters of Credit in favour of M/s Arch Forum Ltd amounting to UGX.1,161,495,240 remained outstanding from 30th June 2022 throughout the financial year to 30th June 2023, indicating that the contractor did not fulfil the obligations.
Disco Project of Mbarara University of Science and Technology	Human Capital Development	Unqualified	• I noted irregular salary payments made during the year to the tune of UGX.18,916,771.
Dress EA	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I observed that; • The Project received only UGX 0.892bn (27.2%) against the estimated budget of UGX.3.381Bn for the two cumulative years disbursement. • The project had an approved budget of UGX.3,517,309,740 out of which UGX.336,801,449 was available for spending resulting in a shortfall of UGX.3,180,508,291 representing 9.5% performance. • Out of the Forty one (41) activities sampled worth UGX.3,615,309,740, Twenty five (25) activities worth UGX.385,598,449 were fully implemented, 2 activities worth UGX.12,553,000 were partially implemented while 19 activities worth UGX.3,051,801,360 were not implemented. • Key activities that should have improved service delivery were not implemented. The delays undermined service delivery.
Drought Resilience of Small Holder Farmers and Pastoralists in The IGAD Region	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I observed that; • The Project received only UGX 0.892bn (27.2%) against the estimated budget of UGX.3.381Bn for the two cumulative years' disbursement. • The project had an approved budget of UGX. 3,517,309,740 out of which UGX. 336,801,449 was available for spending resulting in a shortfall of UGX. 3,180,508,291 representing 9.5% performance. • Out of the Forty-one (41) activities sampled worth UGX. 3,615,309,740, Twenty-five (25) activities worth UGX. 385,598,449 were fully implemented, 2 activities worth UGX. 12,553,000 were partially implemented while 19 activities worth UGX. 3,051,801,360 were not implemented. • Key activities that should have improved service delivery were not implemented. The delays undermined service delivery.

East Africa's Centre's of Excellence for Skills and Tertiary Education in Biomedical Sciences-Phase 1 (EAOI) Project Id No. P-Zi-Ibo-24, Loan No.21001500319962 (ADB-Support to Uganda Cancer Institute)		Unqualified	• Out of the approved budget of UGX.11.66 Bn for the financial year 2022/2023, only UGX. 1.99Bn was realised representing 17% performance. This was due to the delayed award of a successor contractor after the expiry of the original contract. • Advance payment guarantees for the advance payments totaling USD 1,511,208 had expired due to the delayed completion of the multipurpose building which also deferred the supply and installation of ICT Equipment for Training and Telemedicine, a Magnetic Resonance Imaging System (MRI) and Medical Laboratory Furniture
Economic Policy Research Centre	Human Capital Development	Unqualified	• There were no material findings to report on
Education Service Commission (ESC)	Human capital development	Unqualified	I noted that; • The Commission had an approved budget of UGX 14.647Bn from the various programmes out of which UGX 13.640Bn (93%) was warranted, resulting in a shortfall of UGX 1.007Bn. • Out of the total warrants of UGX 13.640Bn (96.3%) availed to the entity during the year, UGX.13.135Bn was utilized resulting in un-utilized warranted of UGX 0.505Bn. • Out of 66 employees in the April 2023 payroll, 64 (97%^) were fully verified while 2 (3%) did not show up. • Twenty-eight (28) employees on the Main payroll had inconsistencies in their names, NINs and dates of birth. • Out of the UGX. 12,277,800,493 budgeted and approved wage funds for four financial years (2019/20-2022/23), only UGX 10,148,936,991 was spent, resulting in unspent balance of UGX.2,128,863,502 • A number of staff were paid a total of UGX. 497,216,695 off the IPPS/HCMS payroll. • Out of 85 approved positions, a total of 77 positions were filled, leaving a gap of 7 positions.

			• The Commission prepared the environmental and social impact assessment report for the construction of a headquarter, however NEMA had not certified the report.
Electoral Commission (EC)	Governance and security	Unqualified	I noted that; • According to the approved NTR estimates for the FYR 2022/2023, the Commission budgeted to collect UGX.0.8945Bn during the financial year however, by the end of the year, UGX.0.336Bn had been collected representing a 37.5% performance. • The entity had an approved budget of UGX.146.297Bn from the Governance and Security programme out of which UGX.144.829Bn was warranted, resulting in a shortfall of UGX.1.467Bn representing a 98.99% performance. • Out of the total warrants of UGX.144.829Bn availed to the entity during the year, UGX.142.231Bn was utilized, resulting in un-utilized warrants of UGX.2.599Bn representing 98% utilization. • Out of five (5) outputs that had been fully quantified with a total of 16 activities worth UGX.52.6Bn, One (1) output with two (2) activities and expenditure worth UGX.2.37Bn were fully implemented. Three (3) outputs with 13 activities worth UGX.46.51Bn were partially implemented while one (1) output with one (1) activity worth UGX.2.59Bn was not implemented at all. • Funds to the tune of UGX. 433,406,817 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 840 employees who were on the Commission payroll of February 2023 that was obtained from the Commission, 831 (99%) individual employees who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • Nine (9) employees on the Commission payroll for the month of February 2023 did not appear for the headcount as required. • 181 employees on the payroll had inconsistencies in their names, NINs and dates of birth, captured in the payroll and data captured by NIRA on the National IDs. • There was an over and under-remittance deductions to tune of UGX.10,609,878 and UGX.1,679,517,451 respectively. • During the last four financial years, the Commission had a wage budget of UGX.147,205,217,596 out of which UGX. 144,617,149,809 was utilised. • The Commission partially undertook activities for Women Councils, LCI & II elections which were later indefinitely suspended due to inadequate funding. At the time of suspension, the Commission had accumulated domestic arrears of

			UGX.10.49Bn due to non-payment of suppliers who had undertaken the preparatory activities. • Three (3) political parties did not have annual work plans against which the funding was provided for the FYR 2022/2023. • Six (6) political parties did not maintain adequate financial records as guided by the Accountant General while UGX. 842,178,696 was not accounted for by political parties by the time of writing my report. • Two parties paid out UGX. 8,642,484,550 however they did not deduct tax amounting to UGX.2,592,745,365 for remittance to URA.
Enhancing National Food Security Through Increased Rice Production Project (ENRP)	Agro-Industrialisation	Unqualified	• I noted that management did not prepare a concept note, project profile and feasibility studies before implementation of the project as required by the Development Committee Guidelines. However, I noted that a feasibility study was undertaken during project implementation. • Out of the expected total disbursement as per financing agreement of UGX.124.7Bn, management received UGX.27.4Bn only and the un-withdrawn Project funds worth UGX.97.3Bn could not be accessed given that the project closed on 25/10/2023. The overall objective of the project was not achieved. • Out of the total available funds in the year of UGX.45.03Bn, only UGX.17.40Bn was spent resulting in unspent balance of UGX.27.63Bn representing an absorption level of 39%. • I reviewed seven (7) activities worth UGX.164Bn and noted that targets for three (3) activities worth UGX.118Bn had been partially achieved while targets for the remaining four (4) activities worth UGX.46Bn were not implemented at all. • I assessed if the works/services were delivered timely and at reasonable costs. I observed significant delays in contract implementation. In these cases, I noted delays in commencement of works by the contractor, failure to settle costs to project affected persons by management, failure to distribute procured equipment by management among others. • I noted material outstanding project commitments worth UGX.87.88Bn despite the project closing and without any other funding source. I observed that although physical progress for construction works stood at 4% in December 2023, both contractors were on site and these commitments were highly probable.
Enhanced Capacity for Aquatic Resources in	Human Capital Development	Unqualified	• There were no reportable issues.

East and South Africa (ECARESA) Project No. 68823 Under NORHED II Programme			
Equal Opportunities Commission	Human Capital Development Programme	Qualified	I observed that; • Property, Plant and Equipment of UGX. 195,865,840 was expensed rather than capitalised. • Expenditure of UGX. 548,501,688 was Mischarged • External Financing of UGX. 600,000,000 was misclassified. • Gratuity of UGX. 1,477,850,252 was Misclassified • Payables of UGX. 590,250,062 relating to salary/gratuity arrears were classified as Contingent liabilities • Out of the budget of UGX. 17,213,734,381, only UGX. 17,213,733,381 was warranted resulting into 100% performance. • Two (2) outputs with two (2) activities and expenditure worth UGX.11.022Bn were fully implemented; Five (5) outputs with forty (33) activities worth UGX.3.218Bn were partially implemented. Out of the thirty-six (33) activities, the entity fully implemented fifteen (20) activities; seven (7) activities were partially implemented, while twelve (6) activities remained unimplemented; One (1) output with one (1) activity and expenditure worth UGX.0.064Bn was not implemented. • The Commission received a supplementary of UGX. 2,512,062,840 (excluding external financing) which was 14.8% in excess of the allowed 3% of the initial budget (UGX. 2,089,012,693). • Out of Fifty-two (52) employees on Equal Opportunities Commission June 2023 salary payroll, a total of thirty-nine (39), (75%) were fully verified, none (0 %) partially verified, none (0%) not verified, while one (2%) did not show up. • Out of 274 staff on February 2023 contract salary payroll, 258 staff (94%) were fully verified, 10 staff (4%) partially verified and 6 staff (2%) were not verified. • The commission shifted from its owned office premises in Bugolobi to rent 2,300 square meters of space at Kingdom Kampala at an annual rate of UGX. 2,500,000,000, rendering the official home of the commission in Bugolobi redundant and suspect for grabbing as the building is not disclosed in the assets of the commission.

			• Air conditioning and CCTV cameras have not been provided as per terms and conditions of the tenancy agreement. • The Commission land title for Bugolobi is missing. • The awareness of EOC's services among the citizens is the limited compared to the other organization with similar mandate. • The commission did not maintain a register for complaints received earlier than 2023/2024 • The Commission did comply with Complaint Investigation/Hearing Timeliness. • The Performance on Complaints was supported.
Electricity Regulatory Authority (ERA)	Energy Development	Unqualified	I noted that; • Out of the budgeted revenue of UGX 39.0Bn, UGX 38.7Bn was realised representing a performance of 99.2%. The shortfall was noted under licences and interest income. • Of the total realized revenue of UGX 38.7Bn, a sum of UGX 35.6Bn (92.2%) was spent by the Authority. The under absorption was due to delayed recruitment of staff, unimplemented trainings and delayed opening of Gulu Regional Offices. • Out of the forty-seven (47) outcomes assessed, sixteen (16) outcomes had been fully achieved, thirty (30) were partially achieved while one (1) outcome was not achieved. The unimplemented outcome was; reduced weighted average end-user electricity tariffs across customer categories - under affordable tariffs. • From the payroll audit that out of the 84 employees on ERA's April 2023 salary payroll, 83 (98.8%) were fully verified. The unverified employee had resigned at the time of the verification exercise. • Out of the budgeted wage funds of UGX 81.8Bn for the four financial years between 2019/20 to 2022/23, UGX 77.7Bn (95%) was realized. The unutilized funds of UGX 4.04Bn were due to unfilled positions resulting from delayed recruitment processes. • Out of the 98 approved positions on ERA's structure, 79 (80%) were filled leaving 19 positions vacant. At the time of audit, there was an on-going recruitment exercise to fill vacant positions. •
Expanding Social Protection Programme 1st July 2021 to 30th June 2022	Human Capital Development	Unqualified	• There were no reportable issues

Expanding Social Protection Programme 1st July 2020 to 30th June 2021	Human Capital Development	Unqualified	• There were no reportable issues
Energy for Rural Transformation Project Phase III - Under the Rural Electrification Programme (ERT III-REP)	Energy Development	Unqualified	I observed that; • Cumulative disbursements of project funds as at 30th June 2023 by the donor was USD.96.6M (84.8%) out of the expected USD 116.1M, while GOU counterpart disbursements were at 60.8% (USD. 17.98M out of 29.6M). • Under the subcomponent on Grid Extensions and Associated Connections, physical and financial progress was at 85% and 79% respectively. Only three (3) lines (1, 2, and 11) were commissioned, six (6) lines lacked funding, while twelve (12) were partially completed. • Under the subcomponent on Grid Intensifications and Associated Connections; Grid intensification works within the territories of Service Providers (SPs) other than UMEME, were commissioned. • Construction activities across all grid intensification projects had been halted until MEMD would demonstrate compliance with the World Bank's safeguard policies. GOU needs to secure an additional funding of USD. 17,918,797.82 to complete ongoing works in both sub-components • Although works had been completed in some projects in sub-components 1.1 and 1.2, RAP implementation had not been completed. Unpaid PAPs were 6,256 with outstanding payments of UGX 4,677,888,844
Energy for Rural Transformation Project - Phase III (ERT III) Under The Project Coordination Unit	Energy Development	Unqualified	I observed that; • Cumulative disbursements of project funds as at 30th June 2023 by the donor was USD.11.1M (94%) out of the expected USD 11.8M, while GOU counterpart disbursements are at 116% (USD 2.91M out of USD 2.5M). • Out of twenty (20) activity indicators assessed, fourteen (14) were achieved, while six (6) indicators had not yet been achieved by year end. • The project had an approved budget of USD. 1,326,530.61 for the financial year 2022/2023, out of which only USD.1,260,147.86 was received representing a performance of 95%. 71.5% of the funds available were spent during the year.

Enhancing Resilience of Communities to Climate Change Through Catchment Based Integrated Management Of Water And Related Resources In Uganda (EURECCCA)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I noted that; • Out of the total expected cumulative disbursements of UGX. 27,120,000,000 only UGX. 24,368,264,899 was disbursed resulting in a shortfall of UGX. 2,751,735,101representing a performance of 89.9% • All the fifty-seven (57) sampled activities worth $7,751,00 and noted that targets for fifty-six (56) activities worth $7,745,031 had been achieved while targets for one (1) activity worth $5,969 had been partially achieved. • The project had an approved budget of UGX 6.173Bn ($1,735,878) for the year ending 30th April, 2023 out of which UGX 2.161Bn was available for spending resulting in a shortfall of UGX 4.012Bn representing 65% performance. • Out of the total available funds of UGX 2.161Bn only UGX 2.124Bn was spent resulting in unspent balance of UGX 0.037Bn representing absorption level of 98.3%. • The delivery of services from implemented activities was within agreed cost and agreed quantities save for the no cost extensions from the agreed completion date of 30th June 2021 to 30th June 2024.
Entebbe Regional Referral Hospital	Human capital development	Unqualified	• According to the approved budget, Entebbe RRH was supposed to collect revenue to the tune of UGX.1Bn, 000 however, by the end of the year only UGX.0.68Bn had been collected representing 68% performance. • The Hospital had an approved budget of UGX.8.45Bn from the various programs out of which UGX.8.29 Bn was warranted resulting in a shortfall of UGX.0.16Bn representing 98% performance. • Entebbe RRH had 164 employees on the IPPS/HCM payroll of which 161 (98.2%) were fully verified, 01 (0.6%) not verified, and 02 (1.2%) did not show up. • A total of 46 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs. • There was Under-remittance of UGX 0.18Bn of statutory deductions made by the RRH during the period. • 6 employee records were captured on the wrong scale/notches leading to an over payment of UGX.0.078Bn while 61 employee records were captured wrongly leading to under payment of UGX. 0.22 Bn. • Out of 559 approved positions, on the Hospital staff establishment, 385 Positions were vacant, while 07 positions in 15 departments were filled in excess of the approved structure.

			• The UPDF engineering brigade constructed an oxygen plant/ facility at the hospital at UGX.0.554Bn and delivered it in May 2023.However, the oxygen plant was non-functional
Enterprise Uganda Foundation (EUF)	Private Sector Development	Unqualified	I noted that; • Enterprise Uganda had approved NTR estimates of UGX.30Mn for the FY 2022/2023, out of which UGX.28Mn was collected by year end representing a 93.3% performance. • Enterprise Uganda Foundation had 12 employees on the February 2023 payroll, of whom a total of 11 (91.7%) were fully verified, while 1 (8.3 %) was partially verified. • Out of 13 approved positions, a total of 12 positions were filled leaving 1 vacant position at the entity. • There was delayed completion of the construction of the Office Block for Enterprise Uganda where the planned progress was 70.25% compared to a physical work progress of 42%, hence average time lost was 28% translating to delays of over 5.65 months.
Environment for Development Initiative (EfD-MAK CENTRE) PROJECT	Human Capital Development	Unqualified	• Out of the total grant of USD 355,448.56, only USD 174,121.63 was spent, reflecting unspent funds to the tune of USD 181,326.93.
Exploring Intersectional Stigmas Among Men Living with HIV in Uganda (SHINE) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.
Farm Income Enhancement	Natural Resources, Environment, Climate	Unqualified	I noted that;

and Forestry Conservation Project Phase II (FIEFOC)	Change, Water and Land Management		• Whereas management developed a concept note, project profile, and had undertaken feasibility studies for the project, there was no evidence that the documents were approved by PS/ST and the Development committee as required. • Out of the expected financing of UGX. 303.43Bn only UGX.276.59Bn (91.2%) was received for the entire period. • Out of the seventeen (17) targeted activities worth UGX. 401,906,251,000, for twelve (12) activities had been fully achieved while targets for the remaining five (5) activities were partially achieved. • Out of the approved budget of UGX.58.8Bn for the financial year 2022/2023, UGX.29.1Bn was available for spending resulting in a shortfall of UGX.29.7Bn representing 49.5% performance. • Although management has established Farmer Based Management Organisations in Irrigation schemes, they still need support in form of capacity building and financing to fully operate sustainably. • Out of the total amount of UGX. 2,417,265,972 (Principal + Interest) that was due by 30/06/2023 from Enable Youth beneficiaries, only UGX. 165,127,501 (7%) had been recovered by 30/06/2023 leaving a balance of UGX. 2,267,739,213 outstanding.
Farm Income Enhancement and Forestry Conversion Project Phase III (FIEFOC III)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I observed that; • Whereas management developed a concept note, project profile, and had undertaken feasibility studies for the project, there was no evidence that the documents were approved by PS/ST and the Development committee as required. • Out of the expected financing of UGX. 34.1Bn only UGX1.87Bn (5.5%) was received for the entire period. • Out of the Ten (10) activities worth UGX. 34,140,379,000, none of the activities were fully implemented, 4 activities worth UGX. 569,810,000 were partially implemented while 6 activities were not implemented. • Out of the total amount of UGX. 1,871,585,000 available for spending during the financial year under review, UGX. 569,809,542 was spent representing absorption level of 30.4%.
Farm Income Enhancement and Forestry Conservation	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I noted that; • Whereas management developed a concept note, project profile, and had undertaken feasibility studies for the project, there was no evidence that the documents were approved by PS/ST and the Development committee as required.

Project Phase II (FIEFOC II)			• Out of the expected financing of UGX. 303.43Bn only UGX.276.59Bn (91.2%) was received for the entire period. • Out of the seventeen (17) targeted activities worth UGX.401,906,251,000, for twelve (12) activities had been fully achieved while targets for the remaining five (5) activities were partially achieved. • Out of the approved budget of UGX.58.8Bn for the financial year 2022/2023, UGX.29.1Bn was available for spending resulting in a shortfall of UGX.29.7Bn representing 49.5% performance. • Although management has established Farmer Based Management Organisations in Irrigation schemes, they still need support in form of capacity building and financing to fully operate sustainably. • Out of the total amount of UGX.2,417,265,972 (Principal + Interest) that was due by 30/06/2023 from Enable Youth beneficiaries, only UGX.165,127,501 (7%) had been recovered by 30/06/2023 leaving a balance of UGX.2,267,739,213 outstanding.
Financial Intelligence Authority (FIA)	Governance and security	Unqualified	I observed that; • The Authority had an approved budget of UGX.26.65Bn from the various programmes out of which UGX.26.65Bn (100%) was warranted, and UGX.22.52Bn was utilized, leaving a balance of UGX.4.13Bn, representing 85% performance. • During the F/Y 2022/2023, the Authority did not budget for NTR. However, by the end of the year, UGX.6.2Mn had been collected. Failure to budget leads to unapproved collections and denies the National Treasury of proper planning for National Revenue for Public services. • Uganda was placed on the list of jurisdictions under increased monitoring (Grey List) by Financial Action Task force (FATF), whose recommendations are the basis on which all countries should meet the shared objective of tackling money laundering, terrorist financing and the financing of proliferation. The continued low performance would lead to Uganda getting subjected to a call for action (Blacklisted) if FATF deems it to be non-cooperative in the global fight against money laundering and terrorist financing.
FTF Izumi project of Mbarara University of science and	Human Capital Development	Unqualified	I noted that; • The Project had an opening cash balance of USD.6,101.08 and received USD.28,320 during the period under review translating into total funds available for spending of USD.34,421.08.

technology for the period ended 30th April 2022			• Only USD.28,932.98 was utilized representing an absorption level of 84% resulting into under absorption of USD 5,488.11 (16%).
Fuel Marking and Quality Monitoring Program (FMQP)	Sustainable Development of Petroleum Resources	Unqualified	I noted that; • Out of the total approved budget of UGX 9.235Bn a sum of UGX 9.057Bn was realized representing performance of 98%. UGX 8.837Bn was spent indicating an absorption capacity of 98%. • Out of the 24 activities assessed, 14 activities were fully implemented, 2 were partially implemented, while 8 were not implemented at all. • There was no evidence of assessment of the program outputs and activities against KPIs in the form of an annual performance evaluation report. In addition, the program's annual work plan is not costed. • There were 199 cases of non-compliant fuel stations including repeat offenders, but there was no evidence of implementation of enforcement measures provided under the regulation. • The quarterly procurement reports prepared by management were not submitted to MEMD and PPDA as required, and also lacked 6 implemented procurements worth UGX 939,811,761. Moreover, all procurements conducted were not on the E-GP system.
Fort Portal Hospital	Human Capital Development	Unqualified	• During the financial year 2022/2023, Fort Portal Regional Referral Hospital had an approved budget of UGX. 13,010,264,070 out of which UGX.13, 010,264,070 was warranted. • Out of the total warrants availed during the FY, UGX.12.18 Bn was utilized resulting in un-utilized warrants of UGX.0.83 Bn representing utilization of 94%. • I reviewed the approved work plan and sampled 5 outputs with a total of worth UGX.2.85Bn 12 activities and noted that all had clear performance indicators and targets. • I assessed the implementation of the twelve (12) activities and noted that two (2) outputs with two (2) activities and expenditure worth UGX. 0.21Bn were fully implemented. • Three (3) outputs with ten (10) activities worth UGX. 2.64Bn. were partially implemented. Out of the ten (10) activities, the hospital fully implemented three (3) activities; and seven (7) activities were partially implemented. • Fort Portal Regional Referral Hospital had 319 employees on the IPPS payroll of which 311 (97%) were fully verified and eight (8) (3%) did not show up.

			• A total of 11 employees were not paid salary amounting to UGX, 73,419,000 in the period under review leading to arrears. • Over–remittance of UGX, 6,469,904 and under-remittance of UGX, 490,515,474 of statutory deductions were made by the Regional Referal Hospital during the period. • Over–remittance of UGX, 275,566,101 and under-remittance of UGX, 133,138 of non-statutory deductions were made by the RRH during the period. • Out of 1,226 approved positions, a total of 256 positions were filled leaving a gap of 970 vacant positions. • 50 positions were over-filled. • Management experienced delays in delivery of medicines and sundries to the hospital by National Medical Stores. • An inspection of the Hospital stores and an analysis of end-of-year stock balances for essential medicines revealed that the hospitals had expired drugs. • On several occasions the Hospital experienced drug stock outs resulting into lack of several essential, vital and necessary drugs. • The Referral Hospital had an endoscopy and C-arm machines that were in a working condition, but were not being put to use. • Hospital had some equipment that was non-functional.
Gender and Digitilisation Across Context (GENDIG) Project	Human Capital Development	Unqualified	• There was no reportable issue noted.
Germany Refugee Response Fund No Material Reportable Issues (OPM)	Public Sector Transformation	Unqualified	• No Material Reportable Issues
German Refugee Response Fund (GRRF) Project –	Public Sector Transformation	Unqualified	• No Material Reportable Issues

Education Infrastructure Enhancement for South Sudanese Refugees and Host Communities in Bidibidi			
German Refugee Response Fund (GRRF) Project – The Scaled-Up Sustainable Domestic Water Supply and Sanitation Service Infrastructure in Rhino Camp Refugee Settlement, Arua District, Northern Uganda	Public Sector Transformation	Unqualified	• No Material Reportable Issues
Global Fund Project-Malaria Grant	Human Capital Development	Unqualified	• There were no reportable issues.
Global Fund Project-TB Grant	Human Capital Development	Unqualified	• There were no reportable issues.

Global Fund Project-HIV Grant	Human Capital Development	Unqualified	• There were no reportable issues
Great Lakes MoTIC Project	Human Capital Development	Unqualified	I noted that; • During the lifecycle of the project, the GLFTP acquired assets to a tune of UGX.497.6Mn. However, there was no guidance on how the project assets were to be managed after project closure. • By the project completion date of 30th April 2023, the project had not secured the USD.3million from GoU. The Government of Uganda did not provide the required counterpart funding.
Grid Expansion and Reinforcement Project (GERP)-MEMD	Energy Development	Unqualified	I observed that; • The project operated without the concept note and project profile contrary to the development committee guidelines. • Cumulative disbursements of project funds as at 30th June 2023 by the donor was USD. 3,215,000 (97%) out of the expected USD. 3,325,000, while of GOU counterpart funding were USD 915,338 as compared to the expected USD 500,000 • Five (5) activities worth USD. 1,622,280 and four (4) activities worth USD. 1,247,280 were fully achieved while one (1) worth USD. 375,000 was not achieved. • The project had an approved budget of USD. 667,687.07 for the financial year 2022/2023, out of which USD. 563,265.31 (84%). • Out of the total available funds for spending of UGX.1,129,762.08 (Receipts plus brought forward funds of UGX.) USD.729,762.08, USD.938,041.88 was spent during the year, representing an absorption level of 73%.
Grid Expansion and Reinforcement Project (GERP-UETCL)	Energy Development	Unqualified	I observed that; • The project operated without the concept note and project profile contrary to the development committee guidelines.

			• Cumulative disbursements of project funds as at 30th June 2023 by the donor was USD.65.5M (73%) out of the expected USD 90.1M, while GOU counterpart disbursements are at 92% (UGX.30.8Bn out of 33.5Bn). • Out of the 19 project activities assessed, 5 were fully implemented while 14 had been partially implemented. • The project had an approved budget of USD.44,204,433 for the financial year 2022/2023, out of which USD.10,425,052 was received representing a performance of 23.6%. 51.8% of the funds available were spent during the year. • Out of 3,566 PAPs, 3,245 (91%) have been compensated with 73% completion of house construction. In addition, 94% of the Right of Way (RoW) has been acquired. Delay in compensation impair project completion.
Growth opportunities and productivity for women enterprises (GROW) - PSFU	Private Sector Development	Unqualified	• The project funding of USD.1,814,506 (UGX.6,663,079,885) had not been utilised despite having received funding in time, besides the funds were not appropriated.
Gulu Hospital	Human capital development	Unqualified	I observed the following; • The hospital only collected UGX.0.067Bn of the planned non-tax revenue of UGX.0.34Bn resulting in under collection of UGX.0.273Bn, thereby denying government resources for implementation of budget activities • Out of availed warrants of UGX.17.678Bn, the hospital received UGX.17.672Bn, resulting into under performance of UGX.0.099Bn that affected implementation of planned activities. • The Hospital utilized UGX.12.672Bn (71%) of the availed warrants of UGX.17.672Bn resulting in underutilization of UGX.5.063Bn that affected implementation of planned activities despite receiving the required funding. • Four (4) outputs with Thirty-seven (37) activities and expenditure worth UGX. 1,154,818,562 were partially implemented. Out of the thirty-seven (37) activities, the hospital fully implemented twenty-eight (28) activities; and nine (9) activities were partially implemented. • The Hospital utilized wage warrants of UGX.8.816Bn out of availed warrants of UGX.8.935Bn resulting in unutilized warrants of UGX.0.12Bn

			• Gulu RRH had 352 employees on the IPPS payroll of which 345 (98%) were fully verified and 7 (2%) did not show up due to reasons of death, official leave, interdictions and retirement from service. • A total of 50 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs, which information I considered vital for the identification of individuals. • 268 employee records were captured on wrong scale/notches leading to an over computation of UGX.1.248Bn and under computation of UGX.0.442Bn • Over–remittance of UGX.0.044Bn and under-remittance of UGX.0.197Bn of statutory deductions were made by the RRH during the period. • Over–remittance of UGX.0.008Bn and under-remittance of UGX.0.053Bn of non-statutory deductions were made by the RRH during the period. • Out of 485 approved positions, a total of 339 positions were filled leaving a gap of 146 vacant positions. • The Hospital had outstanding payables of UGX.0.267Bn (Trade creditors) that had been outstanding for more than one year. This could lead to loss of funds due to litigation arising from delayed settlement. • The drug store had developed cracks on both the roof and the wall causing it to leak and made it inappropriate for storage of essential medicines. • Delayed commencement of Consolidated Implementations letter (CIL) project by 14 months that affected service delivery at the Hospital
Gulu University	Human capital development	Unqualified	I noted that; • The entity had a budget of UGX. 78,051,310,816, out of which UGX • 69,291,862,197 (88.8%) was warranted resulting in a shortfall of UGX. 8,759,448,619 representing an 89% performance. • The entity budgeted to collect UGX.18.767Bn during the year. However, by the end of the year UGX 12.595Bn had been collected representing 67.1 % performance. • Out of the total warrants of UGX 69.292Bn availed to the entity during the year, UGX 69.240Bn was utilized resulting in un-utilized warrants of UGX 0.052Bn representing 99.92% utilization. • Out of sixteen (16) outputs that had been fully quantified with a total of one hundred and twenty-seven (127) activities worth UGX 8.789Bn; twelve (12) outputs with one hundred and one (101) activities and expenditure worth UGX 5.048Bn

			were fully implemented. Four (4) outputs with Twenty-six (26) activities worth UGX 4,097Bn were partially implemented. • Out of 488 employees, a total of 478 (98%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • A total of 10 (2%) employees on the payroll did not appear for the validation. • A total of 9 individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. • Out of 76 short term employees, a total of 75 (99%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • A total of 1 (1%) short term employees on the payroll did not appear for the validation. • A total of 203 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • A comparison of the IPPS payroll register and IFMS payment file revealed that 42 individual employees were paid a total of UGX. 159,130,632 off the IPPS payroll. • Out of 1568 approved positions, a total of 571 positions were filled leaving a gap of 997 vacant positions. The entity had 22 staff on the payroll who were not on the staff list by the time of audit. • Review of the detailed payment report revealed that out of the total payments worth UGX. 12,595,487,918, UGX. 12,413,609,919 had PRNs while payments worth UGX 181,877,999 did not have PRNs. • Delayed Completion of Phase 1 of Construction of Business Development Centre. At the time of audit inspection (November 2023) the works were still on-going and the contractor was still on site. The project was still at slab level and canteen roofed. • Review of the E-cash statement revealed that UGX 102,549,488 was accumulated over months in the financial year as funds swept back from all the transactions. • In the FY 2022/23; UGX 8,500,000,000 was budgeted and approved out of which only UGX 6,786,311,306 (80%) was released to the College leading to a shortfall of UGX 1,713,688,694 (20%). • The University had 106 active taught programmes. However, I noted that only 81 programmes from various faculties were fully accredited, 16 were at MoFPED level for certificate of financial clearance, 6 are still undergoing review by NCHE and 3 are still undergoing internal University review process.

Health Service Commission (HSC)	Human capital development	Unqualified	I noted that; • Out of the total receipts for the financial year of UGX.9.962Bn, only UGX.9.702Bn was spent by the entity resulting in an unspent balance of UGX.0.261Bn representing an absorption level of 97%. As a result, I assessed the implementation of seven (7) outputs that had been fully quantified with a total of twenty five (25) activities and noted that four (4) outputs with seventeen (17) activities were fully implemented while three (3) outputs with eight (8) activities was partially implemented. • There were delays in the recruitment process caused by non alignment of the recruitment cycle to the budget cyle and delays in placement of adverts. In addition, the entity did not recruit all cadres advertised because some positions never attracted any applications. • Out of the 57 employees, 56 were fully verified and 1 employee did not appear for validation because they had already retired. In addition, a total of 4 employees that were not on the payroll appeared for the validation and were fully validated. • There were inconsistencies in employee details where 19 individuals had inconsistencies in their Names and a total of 7 employees had discrepancies in their • Out of the UGX.15.2Bn Budgeted and approved wage funds, only UGX.13.8Bn was spent giving rise to unspent balances amounting to UGX.1.4Bn. • The Health Service Commission made over and under remittance amounting to UGX. 286.5m to Uganda Revenue Authority (URA) and UGX. 218.5m to URA and Local Service Tax (LST) respectively. • The Health Service Commission made an over–remittance of UGX.7.6m and under-remittance of UGX.1.1m of non-statutory deductions respectively during the period. • Out of 86 approved positions, a total of 58 positions were filled leaving a gap of 28 vacant positions. • The Commission charged the wrong expenditure codes to the tune of UGX. 93,283,958 to cover employee costs for contract staff. This was attributed to the fact that contract staff remunerations were either insufficiently budgeted for, or not budgeted for at all.
Higher Education Students' Financing Board (HESFB)	Human Capital Development	Unqualified	I noted that; • Out of the budgeted receipts from GoU of 33.248Bn, only UGX.26.9Bn was received by the entity resulting in a shortfall of UGX.6.34Bn (19%).

			• The entity had an approved budget of UGX.29.52Bn from the various programmes/activities out of which UGX.23.68Bn was warranted resulting in a shortfall of UGX.5.84Bn representing an 80% performance. • Out of the total GoU warrants of UGX.23.68Bn availed to the entity during the year, UGX.23.68Bn was utilized representing 100% utilization. • Out of 27 employees on HESFB March 2023 salary payroll, a total of 18, (67%) were fully verified, while 9 (33 %) were partially verified due to lack of some requisite information such as minutes of appointment. • A total of 6 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main payrolls and data captured by NIRA. • The total due loan from the previous periods is UGX.20,616,518,014 of which only UGX. 1,199,460,511 had been collected representing 5.8%
Hoima Hospital	Human capital development	Unqualified	I observed that following; • Collection of local revenue of UGX.0.086Bn out of approved budget of UGX.0.14Bn, resulting in under collection of UGX.0.054Bn that denied the hospital adequate resources for service delivery. • Fully warranted funds worth UGX.18.168Bn (100%) as per approved budget of UGX.18.168Bn. • Utilization of warrants worth UGX.17.75Bn (84.6%) out of available warrants of UGX.18.168Bn, leading to underutilization of UGX.0.420Bn that affected implementation of planned activities. • One (1) outputs with 4 activities and expenditure worth UGX. 0.221Bn were fully implemented. • Two (3) outputs with Five (5) activities worth UGX. 5.676Bn were partially implemented. Out of the 5 activities, the entity fully implemented 2 activities; and partially implemented 2 activities and Did not implement one activity. • The Hospital received off-budget financing to a tune of UGX. 2.960Bn, directly from development partners and the Ministry of Health for undertaking activities not appropriated to the entity by Parliament. This may have may resulted in duplication of activities earlier budgeted for. • Delayed completion of construction works of the Regional Blood Bank Offices that affected delivery of intended blood transfusion services. • Utilization of wage warrants of UGX.9.803Bn out of available warrants of UGX.10.0Bn resulting in underutilization of UGX.0.197Bn

			• The Hospital had 342 employees on the IPPS payroll of which 273 (80%) were fully verified, 17 (5%) partially verified, 50 (15%) not verified, and 2 (0.6%) did not show up. • A total of 50 (15%) employees on the payroll appeared for validation but did not satisfy the requirements of the validation exercise, hence were not verified. • 6 individuals whose names were not on the Referral Hospital's payroll by June 2023, appeared for the validation exercise. These individuals were included on the validated payroll, upon confirmation by the Accounting Officer regarding their status. • A total of 53 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs that were vital for identification of these staff. • 326 employee records were captured on wrong scale/notches leading to an over payment of UGX. 0.498Bn and under payment of UGX. 0.372Bn. • 13 employees were not paid salary amounting to UGX 0.092Bn in the period under review leading to arrears . • There were statutory deduction over–remittances of UGX. 0.045Bn and under remittances of UGX. 5.422Bn. • There were non-statutory deduction over–remittances of UGX. 0.0260Bn and under remittances of UGX. 0.518Bn. • UGX. 0.02Bn was paid to 7 individuals who had retired. • A total of 347 positions were filled out of approved positions of 454 leaving a gap of 107 vacant position. • The Hospital did not have a land title for land on which construction works of the Regional Blood bank offices worth UGX. 2.987Bn was being done. There is a risk of loss of funds invested in the infrastructure in case the land disputes
Housing Finance Bank Limited	Sustainable Urbanisation & Housing	Unqualified	• I noted that as at 31st December 2022, the Bank had an allowance for expected credit losses of UGX.45.67 Bn (2021: UGX.31.72 Bn) charged on gross loans and advances to customers of Ushs.823.62 Bn (2021: UGX.706.05 Bn). The estimation of expected credit losses requires the Bank to make significant judgements in the consideration of the following variables: Allocation of loan facilities due from customers to stages 1, 2 and 3 in accordance with IFRS 9; Assessment of the Probability of Default (PD) and the Loss Given Default (LGD); The application of historical and forward-looking information, including macro-economic factors in the assessment of the PDs and the application of historical and forward-looking information, including macro-economic factors in the assessment of the PDs; Assessment and forecast of expected future cash flows from impaired (stage 3)

			loans and advances to customers and assessment of the financial condition of the counterparty, estimated recoverability and collateral realisation; Expected utilisation of overdraft and other lending commitments over the lifetime of the commitments; and Application of additional overlay adjustments to reflect factors that are not considered in the applied expected credit loss models.
Hydropower Operations and Maintenance Excellence (HOME) Project	Energy Development	Unqualified	I observed that; • In the period under review, I noted that the absorption of budgeted funds was only UGX 6 Bn (equivalent to USD 1.6 Mn) of the Budgeted UGX 14 Bn (equivalent to USD 3.9 Mn), representing 42% absorption rate. Low funds absorption leads to delayed implementation of critical project activities, which may hinder project effectiveness. • The project is left with two years to the contractual completion date yet only UGX 6.2 Bn (approximately USD 1.67 Mn) of the total project budget of UGX 31 Bn (approximately USD. 8.5 Mn), has been spent, representing 19.7% absorption level. In addition, 76%, i.e. UGX 23.9 Bn (approximately USD 6.4 Mn) of the total budget was already disbursed to the project account, and of this amount, 74% i.e. UGX 17.7 Bn (approximately USD 4.7 Mn) was held at bank as at 31st December 2022.
Imagining Gender Futures in Uganda (IMAGENU) DFC Project No. 17-07-AU-Gulu University	Human Capital Development	Unqualified	• There were no reportable issues.
Industrial Court of Uganda	Administration of Justice	Unqualified	• The activities that were conducted were not quantified, hence rendering it difficult for management to ascertain the achievement levels of the Court. • There are various conflicting sections in the Employment Act 2006 and the Labor Dispute (Arbitration and Settlement) Act 2006 and yet harmonization is still pending. • The delayed recruitment of Judicial Officers and support staff for the Industrial Court has resulted into accumulation of backlog of cases to 2,659 by 30th June 2023.

Insurance Regulatory Authority (IRA)	Development Plan Implementation	Unqualified	I noted that; • The entity budgeted to collect UGX.37.8Bn (including previous year balance worth UGX.14.4bn) during the year. However, by the end of the year UGX.38.9Bn (Inclusive of previous year balance of UGX.14.4Bn) had been collected representing a 103% performance. • Thirteen (13) outputs with one hundred fourteen (114) activities worth UGX.8.45Bn were partially implemented. Out of the one hundred fourteen (114) activities, the entity fully implemented eighty-one (81) activities; eighteen (18) activities were partially implemented, while fifteen (15) activities remained unimplemented. • Out of 109 approved positions, a total of 87 positions were filled leaving a gap of 22 vacant positions. • The Authority is planning to recruit 40 new staff in the financial year 2023/2024 to bring the total number of staff to 127 staff which is over and above the current approved establishment. • Staff administrative advances amounting to UGX.229Mn and USD.11,674 paid out during the year, remained unaccounted for. • The Authority spent UGX.5.405Bn against the approved budget of UGX.4.022Bn on some budget lines, leading to an over expenditure of UGX.1.383Bn without seeking authorization as required. • Implementation of Contracts awarded during the year worth UGX.0.312Bn, had been extended beyond the planned completion dates without relevant contract extension approvals. • The entity was undertaking the business of lending funds to staff that is comparable to commercial terms which is a regulated activity, without following licensing procedures. I further noted that with regard to the Insurance Appeals Tribunal; • The funding of the budget and procurement function for the Tribunal are handled by Insurance Regulatory Authority (IRA) on its behalf and the Tribunal reports to IRA regarding its operations. This creates a conflict of interest and may impede the free decision taking by the Insurance Appeals Tribunal. • Out of the five (5) members of the Tribunal, one of the members (representing Public Service Commission) resigned on 21st February 2023 but has not been replaced. The Tribunal is therefore not fully constituted.

			• The Tribunal lacked key policies guidelines and manuals in regard to human resource management, financial management and assets management that would guide and enable the smooth running of the Tribunal. • The Tribunal had no approved staffing structure and was being run by two technical staff. This creates challenges including excessive work load, internal controls like segregation of duties. • The Tribunal did not have an approved strategic Plan to give direction to the Tribunal. • The Tribunal neither had a Head of Accounts nor a designated Accounting Officer to be accountable for its funds and operations.
Insurance Training College (ITC)	Human Capital Development	Unqualified	I observed that; • Out of the total revenue of UGX.10.54Bn, a total of UGX.7.483Bn was utilized representing 71% utilization. Non-utilization of available revenue negatively effects the implementation of planned activities. • Out of four (4) outputs that had been fully quantified with a total of twelve (12) activities worth UGX.10.127 Bn; One (1) output with Two (2) activities and expenditure worth UGX.5.180 Bn was fully implemented. Three (3) outputs with Ten (10) activities and expenditure worth UGX.6.517Bn were partially implemented. Out of the Ten (10) activities, the entity fully implemented seven (7) activities and three (3) activities were partially implemented. • Out of 35 approved positions, a total of 13 positions were filled leaving a gap of 22 vacant positions as per the establishment. Understaffing hinders the College's ability to deliver its objectives.
Integrated Water Management and Development Project	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I noted that; • Out of the expected cumulative donor disbursement of USD 134,286,645 only USD 54,038,075 was received representing a 40% performance. • Out of the approved donor budget of USD.36,663,488 for the financial year 2022/2023 only USD 41,531,469 was available for representing a 113%. The apparent over performance arose from funds rolled over from prior year due to poor absorption. • I sampled thirty-four (34) activities worth USD 96,627,121 and noted that targets for nine (9) activities worth USD 74,261,261 had been fully achieved while targets for the remaining twenty-five (25) activities worth USD 22,365,860 were yet to be achieved.

			• Out of the total available funds for spending of USD 41,531,469 only USD 19,561,873 was spent representing an absorption level of 47%. • I noted delays in service delivery due to slow progress in project implementation.
Investing in Forests and Protected Areas for Climate - Smart Development Project (IFPA-CD Project) Implemented by National Forestry Authority	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I noted that; • The project had an approved budget of US$ 10,293,559 for the financial year 2022/2023 out of which US$ 6,353,936 was available for spending, representing 62% performance. • Out of the expected cumulative project donor funds of US$ 14,051,790 only US$ 6,353,936 had been received representing 45.2% performance. • Out of seventy-six (76) activities worth US$ 9,921,988; nineteen (19) activities worth US$1,565,366 were fully achieved while targets for the remaining fifty-seven (57) activities worth US$ 8,356,622 were yet to be fully achieved.
Investing in Forests and Protected Areas for Climate - Smart Development Project (IFPA-CD Project) Implemented by Ministry of Water	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I noted that; • A Project concept note was prepared and approved before implementation of the project. • There was an approved Project Profile before implementation of the project. • Feasibility studies were undertaken and approved before commencement of the Project. • Out of the expected Donor disbursements of USD 5,790,208.54 only USD 5,710,264.84 (98.62%) was disbursed. • Out of the expected GOU disbursements of USD 1,840,192.19 only USD 1,430,311.79 (77.73%) was disbursed. • For four (4) activities worth US$ 16,733.66, cumulative targets for all four were yet to be achieved. • Out of the approved budget of US$ 7,630,400.73 for the financial year 2022/2023, US$ 7,140,576.63 (93.5%) was available for spending. • Out of available funds of US$ 7,140,576.63 only US$ 2,061,445.81 was spent representing an absorption level of 28.87%. • 18 Motorcycles to support DFOs in the project area under IFPA-CD were delivered on 23/06/2022 and have been in store for 16 months without being utilised.

Irrigation For Climate Resilience Project (ICRP)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I observed that; • Out of the cumulative disbursements of $ 123,000,000 only $ 23,782,366 had been disbursed representing performance of 19.3% • I sampled three (3) activities worth UGX 85,061,569,344 and noted that targets for two (2) activities worth UGX 76,132,407,286 were yet to be achieved. • Out of the approved budget of UGX 91.203Bn (US$ 24.65Mn) for the financial year 2022/2023 only UGX 75.55Bn (US$ 20.959Mn) was available for spending resulting in a shortfall of UGX 14.81Bn (US$ 3.674Mn), representing 85% performance. • Out of the total available funds of UGX 77.551Bn during the financial year under review, only UGX 38.611Bn was spent resulting in unspent balance of UGX 8.939Bn representing an absorption level of 49.8%. • I noted that whereas 18,200 farmers were expected to benefit from matching grant of US$ 16.6Mn, none had been enrolled at the time of audit.
ITP Inclusive Green Economy-Environment for Development Initiative Project in Uganda implemented by Makerere University	Human Capital Development	Unqualified	• A review of the financial statements revealed that the Project budgeted under In-Service Trainings of Trainers- Delivery of trainings to spend USD.12,930.16 but actually spent USD.14,688.00, resulting to over expenditure by USD.1,757.84
Jinja Hospital	Human Capital Development	Unqualified	I observed the following; • The Hospital collected UGX.0.424Bn (48%) out of the budgeted amount of UGX.0.886Bn, resulting in under collection of UGX.0.461Bn that denied government resources for implementation of planned activities • The hospital received UGX.21.317Bn out of approved budget of UGX.22.0Bn resulting into under performance of UGX0.69Bn that affected some of the planned activities • Out of the availed warrants of UGX.21.317Bn, the hospital utilized UGX.18.042Bn (85%), leaving unutilized balance of UGX.3.275Bn that affected implementation of planned activities.

			• Three (3) outputs with nine (9) activities and expenditure worth UGX.0.426Bn were fully implemented. • Five (5) outputs with seventy-three (73) activities worth UGX.3.746Bn were partially implemented. Out of the seventy-three (73) activities, the Hospital fully implemented fifty-three (55) activities; sixteen (16) activities were partially implemented, while two (02) activities remained unimplemented • Out of UGX.12.585Bn wage warrants availed, the hospital utilized UGX.9.476Bn (75%) leaving a a balance of UGX.3.109Bn unutilized due to understaffing. • Jinja RRH had 348 employees on the IPPS payroll of which 339(97%) were fully verified and 9 (3%) did not show up for reasons of being on official leave and exit of service. • A total of 61 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs. This may lead to irregular extension of employee terms of services. • Over–remittance of UGX.0.274Bn and under-remittance of UGX.0.202Bn of statutory deductions were made by the RRH during the period. • Over–remittance of UGX 0.048Bn of non-statutory deductions were made by the RRH during the period • Out of 1,192 approved positions, 315 positions are filled leaving a gap of 879 positions vacant. In addition, 02 positions were over-filled. Understaffing hinders the RRH's ability to deliver its objectives. • The hospital had expired drugs in its possession that has been accumulated from 2016 without being picked By NMS despite being requested to do so.
Joint Clinical Research Centre (JCRC)	Human Capital Development	Unqualified	I observed that; • Out of the UGX.120.44Bn JCRC estimated to receive during the year under review, UGX.106.354Bn was realized, representing 88.5% performance. • Out of the total receipts of UGX.106.4Bn, an amount of UGX.106 Bn was spent resulting into an unspent balance of UGX.0.4Bn representing an absorption level of 99.6%. • Out of the 533 employees on the February 2023 payroll, 510 (96%) employees showed up for the physical headcount and presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment and were fully verified. • A total of 23 (4%) employees on the payroll did not appear for validation, 17 of whom were away for official duties and other genuine reasons, and were left on

			the payroll, pending validation upon their return while 6 were validated from other entities and these were omitted from the validated payroll. • A total of 4 individuals whose names were not on the Centre's February 2023 payroll appeared for the validation exercise with all the pre-requisite documents/information to confirm their existence and regularity of recruitment and were fully verified. • Twenty-three (23) employees on the payroll had inconsistencies in their names and dates of birth from those captured in their National IDs. • A total of twenty (20) employees on the Centre payroll were also on other Government payrolls. • The Centre did not have an approved and costed staff establishment structure that shows the resource requirements to implement its mandate. • The Centre did not carry out the annual Board performance evaluation as required. • The Centre did not review the Finance Manual, which was approved on 10th July 2019 within the set timeline of three years. • The were no motor vehicles post repair assessment reports to support the expenditure of UGX.124,866,910 on motor vehicle repairs. • Contracts worth UGX.494,291,241 were signed at prices that were higher than the market prices established at the commencement of the procurements by UGX.62,487,177. • Although the Inventory Management Policy recommends weekly, monthly and quarterly inventory reports to be prepared and shared with management to determine the timing of making orders, they had been last prepared and shared with management in November 2022. • The assets that were ready for disposal were kept outside the store building, which exposed them to bad weather. In addition, there were no surveillance cameras to prevent them from being stolen without trace. • The 81st Board meeting minutes revealed that the laboratory equipment that were re-located from Mbale Regional Centre of Excellence to headquarters had been redundant for close to five years and there was a staff member paid to look after this idle medical equipment.
Judicial Service Commission (JSC)	Administration of Justice	Unqualified	I observed that; • JSC budgeted to collect UGX.0.04Bn however, by the end of the year, only UGX.0.004Bn had been collected, representing a 10% performance.

			• JSC had an approved budget of UGX.17.736Bn out of which UGX.16.097Bn was warranted, resulting in a shortfall of UGX.1.639Bn representing a 91% performance. • Out of the total warrants of UGX.16.097Bn availed to the entity during the year, UGX.15.296Bn was utilised, resulting in un-utilised warrants of UGX.0.801Bn representing 95% utilization. • The budgets for all eight (8) outputs assessed were not supported by individual activity costing and budgets. • Five (5) outputs with 26 activities worth UGX.3.628Bn were partially implemented. Out of the 26 activities, the entity fully implemented 18 activities while eight (8) activities were partially implemented. • I observed that the JSC had 251 disciplinary case files opened as of 30th June 2023. Of these, 180 (72%) cases were closed due to lack of merit, and the commission sanctioned 5 (2%) disciplinary cases. I noted delays in concluding 66 (26%) files of the disciplinary cases. • Out of 91 employees, a total of 90 who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • Three (3) individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. • 27 employees on the payroll had inconsistencies in their names and dates of birth captured in the payrolls and data captured by NIRA on the National Identity cards. • Out of the UGX.11.883Bn budgeted wage funds for the four financial years, only UGX.10.512Bn was spent resulting in unspent balances amounting to UGX.1.371Bn. • 45 staff were paid a total of UGX.501,311,810 off the IPPS/HCMS payroll system. • Out of 147 approved positions, only 94 positions were filled leaving 53 vacant positions. • JSC had outstanding domestic arrears of UGX.0.138Bn as at 30th June 2023, relating to PAYE.
Judiciary (Courts of Judicature)	Administration of Justice	Unqualified	I observed that; • Out of the total receipts for the financial year of UGX.373.724Bn availed to the entity during the year, UGX.348.752Bn was spent, resulting in an unspent balance of UGX.24.972Bn representing an absorption level of 93%. • Out of the 19 quantified outputs worth UGX.223.8Bn assessed, four (4) outputs worth UGX.24.1Bn were fully implemented, while 15 outputs worth UGX.199.7Bn were partially implemented.

			• Delays in the Construction of Chief Magistrates Courts of Alebtong, Patongo, Budaka, High Courts at Rukungiri, Soroti, Kibaale Justice Centre. • Out of 391 Magistrate Courts and Grade 1 courts to be established , only 192 courts have been established and operationalized to date, signifying a performance rate of 49% of the target. • Out of 82 magisterial areas, six (6) magisterial areas (with over 20 judicial staff) had no transportation facilities. • Out of the 250 courts, only 101 (40%) had internet access in the three categories of Magistrates Courts. • The Magistrate Grade One courts of Rubaare, Ikumba and Kihihi were operating in unsuitable premises. • The system roll-out has only been completed in eight (8) court stations (an addition of only one (1) court station in the financial year under review) out of the planned 476 court stations. • The Electronic Court Case Management System (ECCMIS) is yet to be integrated with the National Lands Information System, the National ID system in NIRA, the IFMS and the Bank of Uganda Banking System (BBS). • Out of 2,117 employees on the Judiciary's May 2023 salary payroll, a total of 2,112 (99.8%) were fully verified, while 5 individuals did not show up • Out of 373 employees on the Judiciary's May 2023 Contract's salary payroll, a total of 369 (99%) were fully verified, while four (4) staff did not show up. • 551 employees on the payroll had inconsistencies in their names and dates of birth, captured in the payroll and data captured by NIRA on the National IDs • While the Judiciary has enrolled all of the permanent staff on the IPPS, final processing and payments of the staff salaries is made outside the IPPS. In addition, contract staff salaries are processed and paid outside the IPPS. • Management irregularly accrued domestic arrears to the tune of UGX.6,290,426,061 in the financial year 2022/2023. The domestic arrears accrued included rent, repairs of motor vehicles and supply of judicial attire.
Kabale Hospital	Human Capital Development	Unqualified	• The hospital had an approved budget of UGX.13.532 bn from the various programs out of which UGX.11.432 bn was warranted resulting in a shortfall of UGX. 2.101 bn representing 85% performance. Of the warrants, UGX. 11.269 bn was utilized by the entity resulting in un-utilized warrants of UGX 0.163 bn representing utilization of 98%. • According to the approved budget, the entity was supposed to collect Non-tax revenue to the tune of UGX 0.390 bn out of which only UGX 0.163 bn had been collected representing 42% performance.

			• Assessment of the implementation of ten (10) outputs with twenty-six (26) activities worth UGX. 2.769 bn indicated that Seven (9) outputs with twenty-five (25) activities and expenditure worth UGX.2.697 bn were fully implemented while One (1) output with one (1) activity worth UGX.0.072 bn was partially implemented. • Audit of the management of the Government payroll revealed the following; ○ Out of the total warrants of UGX 6.886 bn to cater for the wage component, UGX. 6.789 bn was utilized by the Hospital resulting in un-utilized warrants of UGX. 0.097 bn representing utilization of 99%. ○ Kabale RRH had 259 employees on the IPPS payroll of which 258(99.6%) were fully verified, and 1(0.4%) did not show up, seven (7) individuals had not accessed the payroll by end of June, 2023. These were captured as new records in my determination of the Kabale RRH wage bill. ○ 95 employee records were captured on wrong scale/notches leading to an over computation of UGX. 0.005 bn and under computation of UGX. 0.007 bn. ○ Under-remittance of UGX 0.004 bn of statutory deductions were made by the RRH during the period. ○ Out of 350 approved positions, a total of 265 positions were filled leaving a gap of 88 vacant positions. In addition, 3 positions were over-filled. • I reviewed the approved estimates under the CIL for the period ending 30th September 2023 and noted that the Kabale RRH budgeted to receive UGX. 2.592 bn and received UGX 0.735 bn representing 28.3% performance. • A review of the 2022/2023 Board of Survey report revealed that some of the assets recommended for disposal in 2021/2022 especially motor vehicles were still not yet disposed of and continue losing value and lying idle in the Hospital premises.
Kabale-Lake Bunyonyi and Kisoro-Mgahinga Road Improvement Project ADB Credit No. 2100150042497 and Ug-Project Id P-Ug-D00-003	Human Capital Development	Unqualified	I noted that; • The project concept note and profile were prepared, and detailed feasibility studies were undertaken in line with the Project Development Committee Guidelines, 2026 • Out of the total expected cumulative disbursements of donor funds from African Development Bank (ADB) of USD 67,230,000, only USD 1,439,812.35 has been released leading undisbursed funds of USD 65,790,187.65. As a result of the un-disbursed funds Government has accumulated commitment fees amounting to USD. 665,100.94 on un-disbursed donor funds since date of project effectiveness.

			• All the approved budget of UGX.35.47 Bn for the financial year 2022/2023 was received for spending. Similarly, all the available project funds of UGX.35.47 Bn were spent on compensation of project affected persons, representing an absorption level of 100%. • The contract for civil works for upgrading of the Kabale -Lake Bunyonyi and Kisoro – Mgahinga Roads was awarded to M/S Samcrete Egypt Engineers and Contractors at a contract sum of UGX.112,028,918,319 on 19th September 2023. However, as at 30/11/2023, the contractor had not been given a commencement order due to delays in obtaining an Advance payment guarantee.
Kabale University	Human Capital Development	Unqualified	I noted that; • The University had had outstanding receivables amounting to UGX.668.406Mn relating to delayed settlement of student fees.The University had outstanding domestic arrears relating to PAYE of UGX.1.637Bn and supplier invoices of UGX.141.939Mn. There is a risk of fines, penalties and litigations against the University. • I noted that out of the budgeted receipts from GoU of UGX.63.2Bn, only UGX.54.65Bn (86.5%) was received by the entity resulting in a shortfall of UGX.8.55Bn. • Out of the total warrants of UGX.54.65Bn received during the financial year, the entity utilized UGX.51.18Bn, resulting in un-utilized warrants of UGX.3.47Bn which represents an absorption level of 93.65%. • A total of 56 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls as compared to data captured by NIRA on the National Identity cards • I noted that out of 2,076 approved positions, a total of 506 (24%) positions were filled leaving a gap of 1,570 (76%) vacant positions • I noted that some students, both private and sponsored either by the Loans Scheme or Statehouse sat examinations of semester one without clearing fees of UGX.158.757Mn contrary to the fees payment policy.

Kampala Capital City Authority (KCCA)	Agro-industrialization Community mobilization and mindset change Development plan implementation Digital transformation Human capital development Integrated transport infrastructure and services Natural resources, environment, climate change, land and water Public sector transformation Tourism development	Unqualified	I noted that; • KCCA budgeted to collect NTR of UGX.99.751Bn during the financial year however, by the end of the year, UGX.104.917Bn had been collected, representing a 105% performance. • The Authority has not yet come up with regulations on outdoor advertising rates, and therefore, no collections were made during the year • The Authority had outstanding Property rates totalling to UGX.252,035,071,304, only UGX.52,357,070,009 were collected leaving UGX.199,678,001,295 representing 79% performance. • The entity had an approved budget of UGX.328.029Bn from the various programmes, out of which UGX.326.174Bn was warranted, resulting in a shortfall of UGX.1.854Bn representing a 99% performance. • Out of the total warrants of UGX.326.174Bn availed to the entity during the year, UGX.321.444Bn was utilized, resulting in un-utilized warrants of UGX.4.732Bn representing 98% utilization • The budgets for all the 26 outputs assessed were not supported by individual activity costing and budgets. • Three (3) outputs with 21 activities worth UGX.36.764Bn were partially implemented. Out of the 21 activities, the entity fully implemented 15 activities and six (6) activities were partially implemented. • Six (6) activities sampled with a total expenditure of UGX.13.793Bn revealed issues of delays and quality. • 96 SACCOs received funds worth UGX.9,600,000,000 in the last quarter of the year 2022/2023 • 62 out of 97 PDM SACCOs had not utilized funds worth UGX.6,200,000,000 • The KCCA Ward Development Committees (WDC) were not functional. • Out of 4,065 employees who were on the Authority's main payroll of March 2023, a total of 3,941 (97%) employees who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • 124 (3%) staff on the Authority payroll for the month of March 2023 did not appear for the headcount. • 92 employees whose names were not on the Authority's March 2023 payroll appeared for the validation exercise. • Out of 860 contract staff on the short-term contract payroll obtained from Kampala Capital City Authority for March 2023, 839 (98%) contract staff appeared for the validation exercise and presented all the pre-requisite information.

			• 21 (2%) contract staff on the entity payroll for the month of March 2023 did not appear for the headcount. • 84 contract staff whose names were not on the Authority's March 2023 contract staff payroll appeared for the validation exercise. • There were inconsistencies between the names and other personal data captured in the IPPS and the Names and personal data captured by NIRA on the National IDs • The Authority had a total approved traditional staff establishment of 1,454 out of which only 862 (59%) positions were filled leaving 592 (41%) vacant positions • UGX.588,483,652 was transferred to Kampala Primary Teachers Multipurpose Cooperative Society Limited as deductions from civil servants instead of the Uganda Consumer Lenders/Uganda Bankers Association, the registered/authorised agent of the respective beneficiaries • UGX.10,598,343,886 was charged on wrong account codes. • The Authority did not maintain an updated staff list for all the categories of staff, including newly recruited staff, transferred staff, promoted staff, retirees and staff who had died. • UGX.246,027,308 was paid to 37 staff who had either retired, transferred, absconded or died. • With the exception of teachers and health workers who are enrolled on the IPPS, the rest of the Authority staff were not enrolled on any of the required systems. • A comparison of the budget figures, warrants and payments in respect of the payroll related expenditure revealed an under-absorption of UGX.10,153,747,642 • The Authority had accrued court costs totalling to UGX.23,019,117,745 as at 30th of June 2022, leading to under budgeting to a tune of UGX.18,216,122,827. • Eight (8) cases out of 12 cases where awards and compensations had been granted had taken an unreasonably long time without settlement • The land fill was overfilled with waste and was over due for decommissioning as per my inspection of the landfill on 5th December 2023.
Kampala Capital City Authority Centres for Disease Control and Prevention – Urban Health Project	Human Capital Development	Unqualified	I noted that; • There was a delay in drawing the funds. The Project's first draw down of funds of USD.564,540 was on 28th June 2022, approximately 299 days after notification. • Out of the total drawn-down funds of USD.995,992, Project management spent USD.443,896, resulting in an unspent balance of USD.552,096, representing an absorption level of 44%.

(GRANT No: 6 NU2GGH00235 8-01-01)			• The Project management was only able to absorb USD.374,537.87 (67.8%) out of USD.552,095.87 obligated funds as at 30th September 2022. • The project did not have a customised finance and accounting manual to enable documentation of financial procedures for management of receipts and payments, stores, custody of assets, control of liabilities and general internal controls while managing the project funds. • There were significant delays averaging 286 days from preparation, review and approval of bank reconciliations. • Management delayed to effect payments to M/s BDO East Africa Advisory Services Ltd. • The program's activities were not captured in the approved KCCA policy statement for 2021/2022 and 2022/2023, implying that the activities and funds spent under the programme were not appropriated by Parliament. • During the year, the Project Management made statutory deductions from the emoluments of its employees amounting to UGX.282,122,270; however, the funds were not remitted to the respective Institutions by the year-end. • By the time of the audit (July 2023), M/s BDO East Africa Advisory Services Ltd had not submitted 13 out of 15 of the required reports to CDC and KCCA which is against the requirements of the GCC Clauses and the Consultancy terms of Reference.
Kampala Capital Roads Rehabilitation Project (KCRRP)	Public Sector Transformation	Unqualified	I noted that; • The KCRRP project concept note and profile were prepared, and feasibility studies were undertaken per the Development Committee guidelines. • The project had not received GoU counterpart funding to the tune of USD.11Mn, thus affecting the compensation of Project Affected Persons. • The Project had not received GEF funding to a tune of USD.2Mn to facilitate solid waste management and skilling of women and youth as at the end of the financial year. • USD.160Mn had not been disbursed to the project from ADB and ADF, thus affecting the construction of civil works. • The progress of the civil works on Lots 1, 2, 3, 4 and 5 was at 15% against the planned 60%. In addition, the design review that should have been completed experienced delays, with package 2 design review still ongoing at approximately 50%. • The project had an approved budget of UGX.107.4 Bn for the financial year 2022/2023, out of which UGX.97.4 Bn was available for spending, resulting in a

			shortfall of UGX.10Bn, representing 90.68%. Only UGX.97.249Bn was spent, resulting in an unspent balance of UGX.0.205Bn, representing an absorption level of 99.7%. • Lots 1,2,3, and 5 delayed to commence due to challenges in the acquisition of right of way, absence of approved design reviews and non-compliance to health, safety and environment safeguards. • The Project Oversight Committee was not fully constituted, and meetings were not held, thus affecting the oversight function of the project. • The project lacked critical staff in the implementation team, comprising an environmentalist and a project accountant, thus exerting heavy workload on the existing staff. • The project registered a total of 47 community grievances, out of which 25 remained unresolved by November 2023. • Third-party due diligence checks on the contractors and consultants were not undertaken by the evaluation committee. • Approval of contracts/agreements for Lots 1,2,3 and 5 delayed by an average of 88 days. • Four (4) out of the five (5) works contracts awarded to contractors and consultants exceeded the project completion period by an average of 218 days. • KCCA was yet to effect advance payment to a package 2 consultant and certified works (IPC 1) for Lot 2 contractor. Additionally, three (3) fee notes received from package 1 consultant were paid beyond 60 days after the due date. • The package 2 consulting supervisor had not mobilised an urban hydrologist to design drainage works, yet the project had commenced.
Kampala Institutional and Infrastructure Development Project Phase II (KIIDP II)	Public Sector Transformation	Unqualified	I observed that; • The concept note, project profile and pre-feasibility study were prepared in line with the Development Committee guidelines. • The project should have exited the Public Investment Plan by 30th June 2022. However, this was not done. • The total cumulative project disbursements from the donors were less than expected by USD.17.1 Million as per the project financing agreement, thus affecting the implementation of activities. • The total cumulative project disbursements from GoU were more than expected by USD.4 Million due to the increase in the number of PAPs to be compensated.

			• Cumulatively, 21 activities worth UGX.491,710,886,946 had been fully achieved, while targets for the remaining two (2) activities (Nakamiro and Lubigi drainages) worth UGX.77,023,013,507 were yet to be achieved. • The project had an approved budget of UGX.69.5Bn for the financial year 2022/2023, out of which UGX.63.4Bn was available for spending, resulting in a shortfall of UGX.6.1Bn representing 91% performance. Only UGX.59.9Bn was absorbed. • Sustainability of project investments is still a challenge due to the inadequate funding from URF. • The project had outstanding commitments to the tune of UGX.9,991,002,348 at the year-end. • The project had outstanding receivables to the tune of UGX.5,719,954,605 at the year-end which was due from GoU as a refund of payment made to Lot 1 contractor for traffic signals declared by the Bank as ineligible expenditure. • The project had unfunded obligations totaling to UGX.22.7Bn for works and services rendered during the project life at the time of closure. • A number of title transfers and mutations are still incomplete, and ownership has not been transferred to KCCA despite the fact that the project closed. • There are outstanding payments to PAPs amounting to UGX.3,242,757,828 due to pending court cases and incomplete documentation, among others. • Twenty-nine (29) reported incidences and grievances had not yet been resolved, yet the project has closed.
Kampala-Jinja Expressway (KJE) Project	Integrated Transport Infrastructure & Services	Unqualified	I noted that; • Out of the total expected cumulative disbursements of donor funds of USD 229,470,000, only USD 343,983 has been released leading undisbursed funds of USD 229,126,016 As a result of the un-disbursed funds (USD 229,126,016.5), Government has accumulated commitment fees amounting to USD. 1,145,630. • As at 30th June, 2023, the GoU had cumulatively contributed UGX.484,106,985,663 and out of which UGX.476,136,750,913 was directly utilized for compensation of 4,336 Project Affected Persons. • Establishment of a Project Implementation Unit worth UGX.1,259,639,052 was not constituted, 11,722 PAPs were not compensated, and the civil works did not commence due to delays in procuring a contractor. • There was delayed commencement of Project works as the procurement which was initiated in May 2018 had not been concluded at the time of the audit in November 2023.

Kampala Metropolitan Transmission System Improvement Project	Energy Development	Unqualified	I noted that; • The project operated without the concept note and project profile contrary to the development committee guidelines. • Cumulative disbursements of project funds as at 30th June 2023 were JPY 658.5Bn (5%) by the donor, while GOU counterpart disbursements were UGX. 9.96Bn 37%, out of the expected disbursements of JPY 12.93Bn and UGX.27.13Bn respectively. • Out of the approved budget of USD.2,172,692 for the financial year 2022/2023, only USD. 1,547,332 was received, representing 71% performance. The project absorbed 33% of the funds available for spending during the year. • The total number of PAPs for the period under review was 141 out of which 128 PAPs (91%) had been compensated by 30th June 2023.
Kampala Water Lake Victoria and Sanitation (KW-LV WATSAN I) Project Implemented by National Water and Sewerage Corporation	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• No significant issue reported
Kampala Water Lake Victoria and Sanitation (KW-LV WATSAN II) Project Implemented by National Water and Sewerage Corporation	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• There were variations in quantities of more than 25% of the project expenses that would lead to loss of funds.

Kawempe National Referral Hospital (KNRH)	Human capital development	Unqualified	I observed that; • Out of UGX.21.5Bn that was availed to the Kawempe National Referral Hospital, only UGX.18.113Bn was warranted utilized representing 85% performance. The UGX.3.4Bn that was not utilised was meant for wages for staff that were not recruited on time. • Out of the 328 employees on the February 2023 payroll, 327 (99.6%) showed up for the physical headcount and presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • A total of 65 individuals on the payroll had inconsistencies in their names and dates of birth from those captured in their National IDs. • The Hospital had outstanding salary arrears for 29 employees worth UGX.171,749,787 for the period under review. • Out of 934 approved positions, a total of 327 positions were filled leaving a gap of 607 vacant positions as per the establishment thus impacting on service delivery • Some key medical equipment was idle due to non-repair and lack of trained personnel arising out of lack of a budget. • NMS did not deliver drugs and medical supplies worth UGX.610,195,751 despite having been ordered and paid for. • The Hospital lacks sufficient storage space of medicines and health supplies. This has resulted in some medicines and supplies to be stored in containers and corridors when the stores are full.

Kayunga Referral Hospital	Human capital development	Unqualified	• During the financial year 2022/2023, Kayunga Regional Referral Hospital had an approved budget of UGX. 11.761 bn out of which UGX. 11.161 bn was warranted.
			• Out of the total warrants of UGX. 11.16Bn availed during the year, UGX.10.14 Bn was utilized by the hospital resulting in un-utilized warrants of UGX.1.02 Bn representing utilization of 90.9%.
			• The Hospital had an approved budget of UGX.11.76 Bn from the various programs out of which UGX.11.16 Bn was warranted resulting in a shortfall of UGX.0.6Bn representing 94.9% performance.
			• Assessment of the implementation of Six (6) outputs with twenty-five (25) activities worth UGX. 5.7Bn indicated that;
			  ○ Three (3) outputs with three (3) activities and expenditure worth UGX.1.3Bn were fully implemented.
			  ○ Three (3) outputs with twenty-two (22) activities worth UGX.4.4Bn were partially implemented. Out of the twenty-two (22) activities, the entity fully

			implemented nine (9) activities; twelve (12) activities were partially implemented, while one (1) activity remained unimplemented. • Audit of the payroll of the hospital revealed the following; ○ Out of the total warrants meant to cater for wage, UGX. 3.704 bn was utilized by Kayunga Regional Referral Hospital resulting in un-utilized wage warrants of UGX. 0.19 bn representing utilization of 99%. ○ Kayunga RRH had 135 employees on the IPPS payroll of which 132 (98%) were fully verified and 03 (2%) did not show up during the payroll verification exercise. ○ A total of 17 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs during the payroll verification exercise. ○ Employee records captured on wrong scale/notches lead to an over computation of UGX. 0.122 bn for 23 employees and under computation of UGX. 0.004 bn for 5 employees. ○ A total of 04 employees were not paid salary amounting to UGX 0.057 bn in the period under review leading to arrears. ○ Under-remittance of UGX.0.017 bn of statutory deductions were made by the Kayunga RRH during the period. ○ Under-remittance of UGX 0.002 bn of non-statutory deductions were made by the Kayunga RRH during the period. ○ Out of 345 approved positions, a total of 122 positions were filled leaving a gap of 223 vacant positions. In addition, 04 positions of Clinical department were filled in excess of the approved structure. • I noted that National Medical Stores committed to supply essential medicines budgeted at UGX.1.034 bn in the year under review below the required UGX.3.65Bn. This caused an under delivery of UGX.2.618 bn worth of medicines that could have met the needs of the Hospital.
Kigumba – Masindi – Hoima – Kabwoya – Road Project ADF Loan No. 2100150028796 – Project ID No. P- UG –	Integrated Transport Infrastructure & Services	Unqualified	I observed that; • I assessed whether the project implementation followed the Government project initiation procedures and noted that there was failure to; prepare a project concept note, prepare project profile for the project and undertake feasibility studies. • While some project components were completed and even handed over to UNRA, other project activities like the construction of the Kigumba market had not even commenced despite the proposed project closure date being June 2024.

DB0– 021 (RSSP-4)			• Out of the total expected cumulative disbursements of donor funds from African Development Bank of UAC 72,940,000, only UAC 66,588,163. had been released leading to undisbursed funds of UAC 6,351,836. • Cumulative disbursements of UGX.30,032,421,299. were received from The United Kingdom Department for International Development (DFID) leading to 100% performance. • The Government of Uganda had cumulatively contributed UGX.141,250,471,453 as counterpart funding. • Out of the total available funds of UGX.68,593,170,879 for the year under audit, UGX.68,243,863,359 was spent resulting in unspent balance of UGX.349,307,520.
Kampala Institutional and Infrastructure Development Project Phase II (KIIDP-2)	Public Sector Transformation	Unqualified	• The concept note, project profile and pre-feasibility study were prepared in line with the Development Committee guidelines. • The project should have exited the Public Investment Plan by 30th June 2022. However, this was not done. • The total cumulative project disbursements from the donors were less than expected by USD.17.1 Million as per the project financing agreement, thus affecting the implementation of activities. • The total cumulative project disbursements from GoU were more than expected by USD.4 Million due to the increase in the number of PAPs to be compensated. • Cumulatively, 21 activities worth UGX.491,710,886,946 had been fully achieved, while targets for the remaining two (2) activities (Nakamiro and Lubigi drainages) worth UGX.77,023,013,507 were yet to be achieved. • The project had an approved budget of UGX.69.5Bn for the financial year 2022/2023, out of which UGX.63.4Bn was available for spending, resulting in a shortfall of UGX.6.1Bn representing 91% performance. Only UGX.59.9Bn was absorbed. • Sustainability of project investments is still a challenge due to the inadequate funding from URF. • The project had outstanding commitments to the tune of UGX.9,991,002,348 at the year-end. • The project had outstanding receivables to the tune of UGX.2,685,758,211 at the year-end. • The project had unfunded obligations totaling to UGX.22.7Bn for works and services rendered during the project life at the time of closure. • A number of title transfers and mutations are still incomplete, and ownership has not been transferred to KCCA despite the fact that the project closed.

			• There are outstanding payments to PAPs amounting to UGX.3,242,757,828 due to pending court cases and incomplete documentation, among others. • Twenty-nine (29) reported incidences and grievances had not yet been resolved, yet the project has closed.
Kilembe Mines Limited	Mineral Development	Unqualified	I observed that; • The entity budgeted to receive UGX. 6.294Bn, only UGX.1.824Bn (29%) was collected and spent, resulting into a shortfall of UGX. 4.47Bn. The shortfall affected the implementation of; Supply of materials for Mubuku power station, Flume line and Transmission Line maintenance, Mine care & Maintenance and Timber yard and Supply of materials for & tools for Foundry and Machine shop. • Key activities worth UGX. 23,901,353,150 including; Restoration costs and flood mitigation, Mining Rent and License fees , that were included in the Company's priorities were not approved for funding. • Out of five (5) strategic objectives with sixty-three (63) planned activities, fifty-two (52) activities were fully implemented, five (5) were partially implemented, while six (6) activities were not implemented at all. • All the of 114 employees on KML's April 2023 salary payroll appeared for the validation, out of which 113 presented all the pre-requisite documents and were fully verified., while One (1) employee was partially validated due to lack of a National ID. • There was under-remittance of UGX. 463,772,289 of statutory deductions (NSSF and URA) during the period 2019-2023, which was attributed to insufficient funding. Similarly, there was under deduction of taxes of UGX.67,104,000 on retainer fees paid to Board members due to deducting WHT at 6% instead of PAYE at 30%. • The company does not have valuation for its investment in KCCL, valuation of its biological assets (eucalyptus trees). Furthermore, there were assets damaged by the flooding of river Nyamwamba, but these have not been impaired. This was attributed to lack of funds to value the company's assets. • There were deficiencies in the company's Corporate Governance including; Lack of a succession plan, skills and expertise gaps in the Board composition, non-evaluation of the Board performance. The Company's board charter also lacked a structured framework for nominating and appointment of the Board and Terms of reference for board committees. • Mubuku I Hydro-Power was under performing and only generated 1.8MW from Unit 1 while Units 2, 3 & 4 were out of service. The underperformance has resulted into

			loss of revenue needed to undertake the care and maintenance activities of the mines as well as financing of other Company operations
Kira Motors	Manufacturing	Unqualified	I observed that; • Funds worth UGX. 12,960,000,000 were not availed to the entity during the year which affected the implementation of two activities; Localization of the Kayoola coach seat and paving of an 800 by 29 meters portion of principal access road and construction of the watchtower. • Funds worth UGX. 51,196,720,240 remained unutilized and were still held in the entity's bank account in Bank of Uganda as at 30th June 2023. • Three (3) outputs with 12 activities worth UGX. 121,260,924,791 were partially implemented. Out of the 12 activities, the entity fully implemented four (4) activities; five (5) activities were partially implemented, while three (03) activities remained unimplemented. • A total of nineteen (19) employees on the Main payroll had inconsistencies in their dates of birth captured in the main payrolls and data captured by NIRA on the National Identity cards. • For the FYR 2019/20 up to 2022/23, KMC had unspent wage balances amounting to UGX. 783,986,851. • KMC had an out dated staff establishment in comparison to the entity's current needs. • The Corporation had not yet enrolled on either the IPPS/HCM government payroll management systems. • At the time of writing the payroll report in September 2023, the Corporation's wage budget provided in the budget for 2023/2024 was not yet approved by the Board.
Kiruddu National Referral Hospital	Human capital development	Unqualified	I noted that; • Out of the total receipts for the financial year of UGX.27.393Bn, only UGX.26.112Bn was spent by the entity resulting in an unspent balance of UGX.1.28Bn representing an absorption level of 95%. As a result, I assessed the implementation of eight (8) outputs that had been fully quantified with a total of forty four (44) activities and noted that four (4) outputs with twenty one (21) activities were fully implemented while four (4) outputs with twenty three (23) activities was partially implemented. • Management of the Government salary payroll and noted that out of the 300 employees, 295 were fully verified, while five (5) employees did not appear for

			validation of which three (3) had been transferred and two (2) had absconded from duty. • Two (2) individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. • A total of 27 individuals on the Main payroll had lower dates of birth while 20 individuals had higher dates of birth and 3 individuals had correct dates of Birth though dates of birth on their National IDs had errors. • The budgets and actual expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX.31.1Bn budgeted and approved wage funds only UGX.29Bn was spent giving rise to unspent balances amounting to UGX.2.06Bn. • There was an over remittance of UGX.336.34m to URA and under-remittance of UGX.77.06m in respect to statutory deductions for NSSF. • Out of the 831 approved positions in the Hospital, a total of 295 positions were filled leaving a gap of 536 vacant positions. • The Hospital had receivables of UGX.544.44m of which UGX.214.05m had been outstanding for more than one financial year. • There was failure to conduct monthly physical stock count; inadequate storage of expired drugs; discrepancies between orders and deliveries of drugs, descrepancies between medicines received and medicines recorded and drug stock-outs in management of essential medicines and supplies by the Hospital. • There were inadequacies in management of medical equipment as some equipment like oxygen plant,vertical autoclave, bronchoscopy machine and fluoroscopy machine were not in use and a ventilator had never been servicedin addition to lack of medical equipment maintenance plans. • There was lack of a waivers policy; inadequecies in the management of the dialysis service like non-maintainance of records and undercollection of revenue.
Kyambogo University	Human Capital Development	Unqualified	I observed that; • Out of the outstanding payables of UGX.19,952,686,972, UGX.2,674,549,480 relating to uncleared part time teaching allowances and UGX11,806,570,537 relating to uncleared domestic arrears accrued in the financial years prior to 2022/2023. • Out of the budgeted NTR of UGX.77.1Bn, only UGX 50.6Bn was collected representing a 66% performance.

			• The entity had an approved budget of UGX.138.66Bn out of which UGX.138.63Bn was warranted representing a 100% performance. • Out of the total warrants of UGX.138.66Bn availed to the entity during the year, UGX.138.06Bn was utilized resulting in un-utilized warrants of UGX0.6Bn representing 99.9% utilization. • A total of 464 employees on the main payroll and a total of 31 employees on the Short term /temporary payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA. • The entity maintains separate payrolls for permanent/mainstream staff and for the short-term temporary staff. • One (1) employee on the payroll of the University was also on another payroll for the Uganda Police Force • Out of 2,598 approved positions, a total of 913 positions were filled leaving a gap of 1,685 vacant positions • In the period under review 63 academic programs remained un reviewed by NCHE • Students of Civil and Build Engineering were getting less practical hours as per standard and during semester 1, of 2022/2023.
Law Development Centre(LDC)	Administration of Justice. Governance and Security	Unqualified	• Out of the total receipts for the financial year 2022/2023 of UGX.29.651Bn, only UGX.29.648Bn was spent by the entity, resulting in an unspent balance of UGX.0.003Bn representing an absorption level of 99.9%%. • Out of the five (5) quantified outputs worth UGX.15.126Bn assessed, four (4) outputs worth UGX.8.102Bn were partially implemented. • There were 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 installation of the digital-offset printing machine. • 44% of the students passed without having to sit supplementary exams, 38% passed after sitting supplementary exams, and 18% failed the bar course. I further noted that Kampala Campus' performance was the lowest among the three campuses at 38%, with Lira having the highest pass rate at 62%.

			• The Law Development Centre had 143 employees on the December 2022 payroll, out of whom 134 (94%) were fully verified, and nine (9) (6%) were not verified. The unverified employees did not show up for the validation exercise. I also noted variances between the approved establishment and the filled positions, with eight (8) employees occupying unapproved positions. • Domestic arrears decreased by 28% from UGX.3.89Bn in the previous year to UGX.2.81Bn as at 30th June 2023.
Life and Aging with HIV in Rural Uganda (Aging) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.
Lira-Gulu-Agago Transmission Line Project	Energy Development	Unqualified	• The project operated without the concept note and project profile contrary to the development committee guidelines. • Cumulative disbursements of project funds as at 30th June 2023 by the donor were EURO 10.26M (26%) out of the expected EURO 40M, while GOU counterpart disbursements are at 89.1% (UGX 25.48Bn out of UGX 28.6Bn). • The project had an approved budget of USD 11,677,184 for the financial year 2022/2023, out of which USD 7,442,563 was received representing a performance of 63.7%. • The progress of the transmission line construction (Lot B) was 92% as at year end, compared to the expected progress of 100%. Foundation construction, tower erection and stringing works are still pending. • Out of the 473 PAPs for the project, 463 (98%) have been paid, while 10 PAPs remained unpaid, out of which 4 are in dispute. • Out of the 20 resettlement houses which were expected to be constructed by 27th August 2022, only 8 (40%) had been constructed as at 30th June 2023, representing a delay of 10 Months.

Lira Hospital	Human capital development	Unqualified	I noted that; • Warrants funds of UGX.18.088Bn (99.4%) out of approved budget of UGX.18.204Bn resulting in a shortfall of UGX.0.117Bn that affected implementation of planned activities • Utilization of warrants worth UGX. 17.366Bn (99.5%) out of available warrants of UGX.18.088Bn, leading to underutilization of UGX.0.721Bn that affected implementation of planned activities • Three (3) outputs with twenty-three (23) activities and expenditure worth UGX. 0.490Bn were fully implemented. • Two (2) outputs with eighteen (18) activities worth UGX.5.132Bn were partially implemented. Out of the eighteen (18) activities, the entity fully implemented sixteen (16) activities; two (2) activities were under funded, therefore were partially implemented. • Lira RRH had 329 employees on the IPPS payroll of which 322 (97.9%) were fully verified while Seven (07) (2.1%) did not show up. • A total of 63 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs which were vital information required for the identification individuals. • 61 employee records were captured on wrong scale/notches leading to an over computation of UGX. 155,620,463 and under computation of UGX. 188,039,565. • Over–remittance of UGX 98,821,216 and under-remittance of UGX 374,025,481 of statutory deductions were made by the Lira RRH during the period. • Over–remittance of UGX 36,706,907 and under-remittance of UGX 49,428,171of non-statutory deductions were made by the Lira RRH during the period. • Out of 415 approved positions, a total of 330 (80%) positions were filled leaving a gap of 85 (20%) vacant positions. • The Hospital had expired essential drugs at the Hospital stores as at end of financial year. • The Hospital was affected by instances of stock of essential medicines ranging from 4 days up to 69 days which affected service delivery. • The hospital stores space was inadequate to sufficiently accommodate delivery and storage of medicines and medical supplies.

Lira University	Human capital development	Unqualified	I noted that; • The entity had an approved budget of UGX.30.815BN from the various programmes out of which UGX.30.776BN was warranted resulting in a shortfall of UGX.0.03BN representing a 99.9% performance. • Out of the budgeted Non Tax Revenue (NTR) of UGX 4.94Bn, only UGX 4.022Bn was collected representing 81.4% performance. • Out of the total warrants of UGX.30.78BN availed to the entity during the year, UGX.27.08BN was utilized resulting in un-utilized warrants of UGX. 3.71BN representing 87.98% utilization. • The budgets for all five (5) outputs assessed were not supported by individual activity costing and budgets. • Four (4) outputs with nineteen (19) activities and expenditure worth UGX3.8 BN were fully implemented, One (01) output with four (4) activities worth UGX 0.61Bn were partially implemented. • Out of 245 employees on Lira University's February 2023 salary payroll, a total of 239 (97.6%) were fully verified while 06 (2.4%) did not show up. • A total of 34 employees on the main payroll had inconsistencies in their dates of birth and gender captured in the main payrolls and data captured by NIRA on the National Identity cards. • Out of the UGX 76.111 Bn budgeted and approved wage funds for the four financial years, only UGX 69.566Bn was spent giving rise to unspent balances amounting to UGX 6.545Bn. • Out of 991 approved positions, only 265 positions were filled leaving a gap of 726 vacant positions. • The contract signed with M/s BMK (U) Ltd for the construction of main Administration Block at a contract sum of UGX. 16,664,107,531 had expired and was renewed on 14th, September 2022 for a period of 2 years ending on 13th, September 2023. However, at the time audit (November, 2023), the construction had stalled.
Local Economic Growth Support Project (UG-1024) (LEGS)	Public Sector Transformation	Unqualified	I noted that; • There were outstanding advances to Micro Finance Support Centre (MSC) in respect of ineligible payments totaling to UGX.1,011,480,000 (USD.284,998) that had not been refunded to the project bank account as of 30th June 2023. • Out of the planned expenditure of UGX.62,539,810,803, only UGX.18,787,370,199 was spent, resulting in an absorption level of 30%. There is a risk that some key

			project activities may not get implemented by the end of the extended implementation date of 1st August 2024, ultimately impacting the achievement of the project objectives.
Local Government Finance Commission (LGFC)	Development plan implementation Public sector transformation	Unqualified	I noted that; • The Commission did not have a budget provision for NTR but collected UGX. 1,701,000. • There was a shortfall in releases from GOU amounting to UGX.0.007Bn representing 1% of the budget. • The Commission failed to spend UGX.0.002Bn, representing an absorption level of 99.9%. As a result, five (5) outputs with 23 activities worth UGX.2.788Bn were partially implemented, no output was fully implemented or not implemented at all. • Budgets for all five (5) outputs assessed were not supported by individual activity costing and budgets. • Local Revenue Enhancement Coordinating Committee's recommendations were not implemented. • Revenue performance against the budget for Local Governments on IRAS had increased from 50% to 72% in the four years under review. • By the time of writing this report, 124 sites had been rolled onto the IRAS with minimal delays. • Only 52 out of 124 sites where IRAS was installed were trained in the use and application of the system. • Out of the 124 sites that had been enrolled on IRAS, 11 had fully embraced the system, 107 were partially utilizing the system, and six (6) sites were not using the system despite the initial training provided to staff. • Out of a sample of nine (9) sites and none of them had an approved IT staff structure or IT personnel to handle IT-related matters. • All sites inspected had challenges reconciling trading license revenue since the IRAS system does not recognize the outstanding balance in case of partial payment by a taxpayer. • The users had not been availed with sufficient gadgets such as; phones, laptops, printers, and point-of-sale machines, among others, which are useful in operating the revenue system. • There was no integration between IRAS and IFMS to facilitate a smooth operation of the entities using the system.

			• The IRAS system server was located at the Commission premises on the 10th Floor, Workers House, and there was no off-site server or backup in case of data loss through fire and manipulation by third parties. • All the 37 (100%) employees of the Commission who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • Two (2) individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents and were captured as new records • 25 employees on the main payroll had inconsistencies in their names and dates of birth captured on the Commission payroll and what is on the National IDs. • Out of the UGX. 6,974,000,000 approved wage funds for the four financial years under review, only UGX. 6,944,934,222 was spent, giving rise to unspent balances amounting to UGX. 29,065,778 • The entity paid its employees amounts that varied from the appointment letters, leading to overpayment of salaries by UGX. 8,701,318 to eight (8) employees. • Out of 66 approved positions, 39 positions were filled, leaving a gap of 27 vacant positions. • The Commission is not enrolled on the IPPS/HCM. • The recommendations on funding of physical planning and land management in Local Governments had not been implemented.
Makerere Institute of Social Research Carnegie Corporation Grant Number G-20-57625	Human Capital Development	Unqualified	• There were no reportable issues
Makerere Institute of Social Research Andrew W. Mellon Foundation Grant No. (1808-06062)	Human Capital Development	Unqualified	• There were no reportable issues.

Makerere University	Human Capital Development	Unqualified	I noted that; • The entity had an approved budget of UGX.377.3Bn from the various programmes out of which UGX.368.9Bn was warranted resulting in a shortfall of UGX.8.44Bn representing a 97.8% performance. • Out of the budgeted Non-Tax Revenue of (NTR) of UGX 110.5 for the year, only UGX 106.2Bn was collected representing a 96.1% performance. • Out of the total warrants of UGX.368.909 Bn availed to the entity during the year, UGX.366.393 Bn was utilized resulting in un-utilized warrants of UGX.2.516Bn representing 99.34% utilization. • Out of six (6) outputs that had been fully quantified with a total of thirty-six (36) activities worth UGX. 47.98Bn; three (3) outputs with (13) activities and expenditure worth UGX 30.80Bn were fully implemented and three (3) outputs with twenty-three (23) activities worth UGX 17.18Bn were partially implemented. • Out of 2958 employees on Makerere University February 2023 salary payroll, a total of 2,842 (96%) were fully verified while 114 (4%) did not show up. A total of 2,842 (96%) individuals whose names were not on the payroll appeared for the validation exercise with all requisite documents. • A total of 2 (0.1%) employees on the payroll appeared for validation but did not satisfy the requirements of the validation exercise, hence were not verified. • A total of 114 (3.9%) employees on the payroll did not appear for the validation. • A total of 10 individuals whose names were not on the payroll appeared for the validation exercise with all requisite documents and were included on the validated payroll, upon confirmation by the Accounting Officer regarding their status. • Out of 69 short-term/temporary employees on Makerere University February 2023 salary payroll, a total of 66, (95%) were fully verified, none was partially verified or not verified, while 3 (5%) did not show up. • A total of 614 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA. • Out of the UGX. 978.849Bn budgeted and approved wage funds for the four financial years, only UGX. 917.305Bn was spent giving rise to unspent balances amounting to UGX 61.543. • Out of 5,835 approved positions, a total of 3,141 (54%) positions were filled leaving a gap of 2,694 vacant positions. • Out of the approved structure of 655 staff only 60(9.2%) positions were filled leaving 595 positions not filled representing 90.8 % of the establishment.

			• The college of Health sciences had no work plan for the overheads account and no approved budget for the activities and yet collected in the dollar account USD 241,727.49 and incurred expenditures worth USD 87,979.22. • The College of Computing and Information Science paid UGX. 127,059,137 to a staff who had absconded from duty. • 27 vehicles in the asset register had exceeded the recommended 10 years' useful life, hence were all due for disposal. • A review of the MUARIIK establishment revealed that out of the approved structure of 235 staff, only 37 were filled, leaving 196 (83%) positions vacant. • The Institute owns land measuring 650 acres in Kabanyolo with a total of 15 Security guards, however, the land is encroached upon and a school is being built on it, the land is not fully demated and not fully fenced. • The training sites for the College of Veterinary Animal Resources and Biosecurity were inadequately funded, maintained and were operating below capacity. • Out of the University`s 347 active taught courses; 149 were fully accredited/reviewed whereas 198 were pending review/accreditation at different levels. • The University accommodates more than 6 students in a space of 1m2 which is unacceptable as per the quality indicators for universities. • The standard requirement of student to library is 2.5 square metres per student, however currently the University has 11,065 square metres of library space for 27,865, giving a ratio of 2.7sq. meters per student. • With the 27,865 students at the university, the academic staff to student ratio was below the minimum requirement since most colleges had staff to student ratio which is beyond the standard required.
Makerere University Africa Centre of Excellence in Materials Product Development and Nano Technology Project (MAPRONANO)	Human Capital Development	Unqualified	I observed that; • All the fifteen (15) Disbursement Linked Indicators (DLIs) worth USD 6,000,000 and noted that targets for twelve (12) DLIs worth USD 4,600,000 had been fully achieved, while two (2) DLIs worth USD 865,000 were partially achieved and one (1) DLI worth USD 100,000 was not achieved at all. • The project had an approved budget of USD 1,472,842 for the financial year 2022/2023 out of which US$ 476,208 was received in the current period while US$ 427,842 was received in the previous year relating to MAPRONANO ACE funds, resulting in a shortfall of US$ 568,791.90. • For the 6 years of the project, 12 actions worth US$ 4,600,000 were fully implemented while 3 actions worth US$ 1,400,000 were partially implemented.

			• Saliva project activities with a total funding of UGX 1,030,000,000 had only 94% of the project activities carried out as at 30th June 2023. • Nano-Adjuvant project activities with total funding of UGX 1,485,000,000 had only 56% of the project activities carried out contrary to the project agreement and implementation plan. • Medical plastic project activities with a total funding of UGX 1,599,853,134 for the year had only 48% of the project activities carried out contrary to the project agreement.
Makerere University Business School (MUBS)	Human Capital Development	Unqualified	I observed that; • The School was supposed to receive UGX 115,004,588,185 (including a supplementary funding of UGX 7.6Bn) out of which UGX 110,349,040,796 was warranted, resulting in a shortfall of UGX 4,655,547,389. The shortfall represents 4.05% of the approved budget. • Out of the total receipts for the financial year of UGX 110,349,040,796, only UGX 110,345,403,598 was spent by the school resulting in an unspent balance of UGX 3,637,198 representing an absorption level of 99.99%. • Out of the 18 quantified activities worth UGX.4.438Bn assessed; 05 activities representing 27.7% were fully implemented, 11 activities representing 61.1% were partially implemented. • Out of 1,507 employees on MUBS February 2023 salary payroll, a total of 1488 representing 98.7% were fully verified while 19 representing 1.3% did not show up. Of the 19 employees, 07 were away for official duties and other genuine reasons while 12 employees were confirmed dismissed, absconded, contract expired and were removed from the payroll. • 827 employees were not on the HCM payroll because they were appointed after MUBS had shifted from the IPPS payroll to the manual payroll preparation. • MUBS is not enrolled on IPPS/HCM and all the 1488 staff validated were paid salaries off the IPPS/HCMS. • A total of 341 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main payroll and data captured by NIRA. • MUBS lacked an approved and costed staff establishment that shows the resource requirements to implement the structure. • A total of 597 staff existing on the payroll were recruited and/or promoted to the current ranks on the basis of "person-to-holder" salary and were paid salaries below the rates provided in the MOPS approved salary structure.

			• A total of 190 staff were recruited on contract basis without funds in approved estimates and without obtaining clearance from MoPS. • the school had payables in its financial statements of UGX 6,802,179,830 at year end which was over and above the appropriated budget estimates and the warrants. • The approved budget estimates for the past two financial years did not make budget provisions towards settlement of arrears/payables which by end of FY 2022/2023 had accumulated to UGX 6.8Bn.
Makerere University Regional Centre for Crop Improvement (MARCCI)	Human Capital Development	Unqualified	I noted that; • A comparison with the the total cumulative disbursements of project funds as at 30th June 2023 against the project financing agreement revealed that the total cumulative disbursements to date were less than expected as per the project financing agreement. • Out of the fifteen (15) Disbursement Linked Indicators (DLIs) worth USD 6,000,000, targets for fourteen (14) DLIs worth USD 5,300,000 had been fully achieved, while one (1) DLI worth USD 700,000 was partially achieved. • The project had an approved budget of USD 2,252,460 for the financial year 2022/2023 out of which USD 1,212,782.13 was available for spending resulting in a shortfall of USD 1,039,678 representing 46% performance. • Out of the total available funds of USD 1,212,782.13 only 591,137.77 was utilised resulting in unspent balance of USD 621,644.36 representing an absorption level of 49%.
Mama Ope Pneumonia Diagnostic Aid Device Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues
Management Training and Advisory Centre (e)	Human Capital Development	Unqualified	I observed that; • Out of the budgeted NTR of UGX 2.91Bn for the year, only UGX.2.84Bn was collected representing a 97.6% performance.

			• Out of the total warrants of UGX.9.69Bn availed to the entity during the year, UGX.8.72Bn was utilized resulting in un-utilized warrants of UGX 0.96Bn representing 91% utilization. • Seven (7) outputs with fifty-eight (58) activities and expenditure worth UGX.5.24Bn were fully implemented while two (2) outputs with fourteen (14) activities worth UGX.3.48Bn were partially implemented. • Two employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and data captured by NIRA. • Out of 74 approved positions, a total of 50 positions were filled leaving a gap of 24 vacant positions. • One (1) piece of land measuring approximately 0.137 hectares valued at UGX.1,186,500,000 comprising of a house that had been reserved for the Executive Director was not occupied. • MTAC did not have a Governing Council as required by the MTAC Act.
Mandela National Stadium Limited	Human Capital Development	Unqualified	• The entity had an approved budget of UGX.12,952,923,000 from the various programmes out of which UGX. 3,000,000,000 was released resulting in a shortfall of UGX. 9,952,923,000 representing a 23.2% performance. • A total of five (5) employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA. • Out of 74 approved positions, a total of 18 positions were filled leaving a gap of 56 vacant positions. • The Stadium had receivables of UGX. 53,639,948,859 at the close of the financial year, an increase of 57% from receivables of UGX.30,589,348,571 for the previous financial year 2021/2022.
Markets and Agricultural Trade Improvement Programme (MATIP II)	Public Sector Transformation	Unqualified	I noted that; • The concept note was prepared for the project but was not submitted to the PS/ST for approval. • No project profile was prepared by the Accounting Officer for this project before the project was operationalized by the entity. • The pre-feasibility study and detailed feasibility study were undertaken prior to execution of the project but no submission done to the Development Committee for approval. • The Project did not exit the Public Investment Plan by 30th June 2023 because the project closure date had been extended to 31st January 2024.

			• The total cumulative project disbursements to date were less than expected by UGX. 19,727,775,709 as per the Project financing agreement. • The Project had an approved budget of UGX.43.72Bn for the financial year 2022/2023, out of which UGX.31.7Bn was available for spending, resulting in a shortfall of UGX.12.58Bn representing 72.5% performance. • Out of the total available funds of UGX. 31,637,780,750, only UGX. 31,511,180,857 was spent, resulting in an unspent balance of UGX. 126,599,893, representing an absorption level of 99%. • Though the Project closure date is 31st January 2024, there was no evidence that management had implemented the sustainability measures stated in the Project Appraisal Document to ensure that the gains made during the Project lifetime are not lost once the Project closes.
Masaka – Bukakata Road Project (Project Id No. 0746 And Loan No.1485p)	Integrated Transport Infrastructure & Services	Unqualified	I observed that; • As at 30th June 2023, 244 PAPs valued at UGX.2,785,852,110 had not yet been compensated. • The project exited the Public Investment Plan by 30th June 2023 and has been added to UNRA's road inventory and maintenance plans. • Out of the total expected cumulative disbursements of donor funds from The Arab Bank for Economic Development in Africa (BADEA) of USD 12,000,000 for the year ended 30th June 2023, only USD 11,774,199.55 was released leading to undisbursed funds of USD 225,800.45. The un-disbursed loan balance under BADEA may not be received since the project closed and a project completion report handed over to UNRA in October 2023. • During the financial year 2022/23 Cumulative disbursements of USD 15,000,000 had been received from Opec Fund for International Development leading to 100% performance. • Out of the expected GoU counterpart funding of UGX.72,651,892,268.542, GoU cumulatively contributed UGX.76,975,784,745.402 and USD 227,887.36 as at 30th June, 2023 leading to an over disbursement of UGX.4,323,892,476.86 and USD 227,887.36. • Out of the total available funds of UGX.7,205,189,796 for the financial year 2022/2023, UGX.7,194,553,139 was spent resulting in unspent balance of UGX.10,636,657 representing an absorption level of 99.85%.

Masaka-Mbarara Transmission Line Project	Energy Development	Unqualified	I noted that; • The project operated without the concept note and project profile contrary to the development committee guidelines. • Cumulative disbursements of project funds as at 30th June 2023 for the AFD loan, KFW loan and GOU were € 120,687 (1%), € 111,948 (1%) and UGX.63.9Bn (53%), out of the expected € 37,100,000, € 35,000,000, and UGX.120Bn respectively. • Out of the approved budget of USD. 9,774,770 for the financial year 2022/2023, USD. 857,310.61 was received representing performance of 9% and a shortfall of UGX.8,917,459 • Out of the total available funds for the year of USD 7,446,044.34 (Receipts plus opening balance of USD.6,588,733.73), USD.6,259,932.88 was utilized representing an absorption level of 84% • The Environmental Social Assessment (ESIA) certificate had expired on 15th December, 2020, and had not been renewed at the time of audit.
Mathematics for Sustainable Development (MATH4SD) Project	Human Capital Development	Unqualified	• There were no reportable issues.
Mbale Hospital	Human Capital Development		• The hospital had an approved budget of UGX.24.42 Bn from the various programs out of which UGX. 23.45 Bn were warranted resulting in a shortfall of UGX.0.97Bn representing a 96% performance. • Out of the total warrants of UGX.23.44Bn availed to the hospital during the year, UGX.22.45Bn was utilized resulting in un-utilized warrants of UGX.0.99Bn representing 95.8% utilization. • A total of 331 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs. • There was Under-remittance of UGX.1.27Bn of statutory deductions made by the RRH during the period. Under remittance attracts penalties from URA and NSSF. • UGX.0.042Bn was paid to 7 staff who had either been retired, transferred, absconded or died. These resulted into financial loss to government. • The regional workshop did not have a budget allocation in the financial year under audit to carry out medical equipment installation, Maintenance and repairs in the 1 Referral hospital, 5 General hospitals and 17 Health centre IVs in the Elgon Region. • The surgical complex was prioritized to be built by the Ministry of Health and that of Finance at a cost of UGX.6Bn with effect from the financial year 2014/2015. The

			Construction of Phase II of the surgical complex building commenced on 4th May 2020 after the contractor (Ms. Zhongmei Engineering) possessed the site on 22nd April 2020 and its completion date was 3rd August 2022. At the point writing this report the building was not yet completed.
Mbarara Regional Hospital	Human Capital Development	Unqualified	I observed the following; • The Hospital collected UGX.0.804Bn out of planned local revenue amount of UGX.1.4Bn leading to under collected of UGX.0.596Bn. This affected funding to the hospital • The entity received UGX.20.543Bn (99%) out of the planned GOU budget of UGX.20.543Bn leading to underfunding of UGX.0.107Bn • The Hospital utilized UGX. 18.937Bn of the received warrants of UGX.20.543Bn resulting in underutilization of UGX.1.667Bn that resulted in unimplemented planned activities • Out of Six (6) outputs with twenty-nine (29) activities and expenditure worth UGX.7.058Bn, fourteen (14) activities were fully implemented • The Hospital utilized wage warrants worth UGX.10.265Bn out of total available warrants of UGX.11.812Bn resulting in unutilized warrants of UGX.1.547Bn • MRRH had 315 employees on the IPPS payroll of which 309 (98%) were fully verified while 6 (2%) did not show up for reason of death, abscondment, retirement, transfer of service. • A total of 126 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs • UGX.0.018Bn was paid to 3 staff who had either been retired, transferred, absconded or died. These resulted into financial loss to government. • Out of 359 approved positions, a total of 274 positions were filled leaving a gap of 85 vacant positions
Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	I observed that; • Included in the receivables of UGX.8,408,856,590 under the statement of financial position and in note 22(c) of the financial statements are student fees of UGX.1,275,101,502 relating to financial years prior to 30th June 2023 • Included in the payables of UGX.6,189,922,981 as shown in the statement of financial position are long outstanding domestic arrears of UGX.6,072,157,711 payables to National Enterprise Corporation (NEC).

			• Out of the budgeted receipts from GoU of 59.457Bn, only UGX.57.547Bn (96.8%) was received by the entity resulting in a shortfall of UGX.1.91Bn. • Out of the total warrants of UGX.57.547Bn received during the financial year, the entity utilized UGX.56.47Bn, resulting in un-utilized warrants of UGX.1.08Bn which represents an absorption level of 98.12%. • A total of 106 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls as compared to the data captured by NIRA on the National Identity cards • The entity paid its employees on wrong scales/notches leading to overpayments of UGX.37,902,096 to one (1) employee. • A total of ten (10) staff were paid a sum of UGX.80,549,089 off the IPPS/HCMS payroll. • Out of 2,609 approved positions, a total of 581 positions were filled leaving a gap of 2,042 (22.3%) vacant positions. In addition, six (6) departments positions were over-filled with 14 positions. • Thirty-three programs of MUST were yet to be reviewed and accredited by NCHE. • The University has kept three Cuban Doctors in service for more than the specified timeframe without renewal of the necessary protocols and/or contractual agreements.
Mbarara University of Science and Technology Project for Antenatal Couple's Counselling (ACCU)	Human Capital Development	Unqualified	I observed that; • Out of the total available funds of GBP 47,614 for the period under review, GBP 28,405 was spent representing an absorption level of 60%, leaving a balance of GBP 19,209 (40%) unspent. • UGX.12,670,000 was not accounted for as it lacked supporting documents, since participants did not sign for their facilitation and there were no reports on activities done.
Mbarara University of science and technology - Breeding Sites Project for the period ended 30th November 2021	Human Capital Development	Unqualified	• A review of budget performance statement of the project revealed that management incurred USD.3,757 over and above the budget amount on personnel cost.

Mbarara University of science and technology - Camtech project for the period 1st January 2022 to 31st December 2022	Human Capital Development	Unqualified	• I observed that out of the total amount received by the project of USD.200,673, only USD.153,278.49 was utilized, representing an absorption level of 76%, leaving an unspent balance of USD.47,394.51 (24%).
Mbarara University of science and technology – Improving Adolescent Sexual and Reproductive through a participatory Parent-child Communication intervention in Uganda project (CPAC/VLIR-OUS) for the period 31st January 2022	Human Capital Development	Unqualified	I observed that; • Out of the approved budget for the Project of Euros 68,110, only Euros.48,000 (representing 70%) was received, leading to a shortfall of Euros.20,110 (30%). • I observed that the Project management deducted Euros 3,443.47 (representing 7%) instead of Euros 2,400 (representing 5% lump sum fixed on the total funds received) occasioning over payment of Euros 1,043.47 on coordination costs.
Mbarara University of science and technology -D-sire project for the period 31st December 2021	Human Capital Development	Unqualified	• I observed that out of the total available funds of Euros 30,285 for the period under review, the project only utilized Euros 18,409, representing an absorption level of 61%, resulting into under absorption of Euros 11,876 of the funds available for spending.
Mbarara University of Science and	Human Capital Development	Unqualified	• There were no reportable issues.

Technology Ficile Screening for Esophageal Cancer in LMICS (ESOCAP) Study for the period 1st September 2021 to 31st August 2022			
Mbarara University of Science and Technology Getting to Zero Project for the period 1st May 2019 to 30th April 2020	Human Capital Development	Unqualified	• Analysis of the Funds accountability statement revealed that out of the amount received of USD.22,134.45, only USD.19,886.75 (90%) was utilized, leaving a balance of USD.2,347.70 (10%) unutilized.
Mbarara University of Science and Technology Global Health Fellowship Project 1st July 2021 to 30th June 2022	Human Capital Development	Unqualified	• I noted that out of the amount received of USD.9,685, only USD.6,508.60 was utilized representing an absorption level of 67%, leaving a balance of USD.3,176.4 (33%) unutilized.
Mbarara University of Science and Technology Kayanja Fellowship Project for the period 1st	Human Capital Development	Unqualified	I noted that; • The project budget revealed an approved budget of USD.34,654. Analysis of the Funds Accountability statement indicated that only USD.11,919 was received representing 34% of the budget, leading to a shortfall of USD.22,735 (66%). • USD.16,465 was spent out of the total available funds of USD.17,277 (opening cash balance of USD.5,358 plus amount received of USD.11,919), representing an absorption level of 95%, leaving a balance of USD.812 (5%) unutilized.

August 2018 – 31st July 2019			
Mbarara University of Science and Technology MENU Project for the period 1st January 2019 to 31st December 2019	Human Capital Development	Unqualified	• I noted that UGX.173,196,552 was spent out of the available funds of UGX.205,228,995, representing an absorption level of 84%, leaving a balance of UGX.32,032,443 (16%) unspent.
Mbarara University of Science and Technology Mobile Wallet Project for the period 1st August 2021 to 31st May 2022	Human Capital Development	Unqualified	• I noted expenditure over runs on personnel costs, participant/ trainees Costs other direct costs amounting to USD.4,113.
Mbarara University of Science and Technology resistance testing versus adherence support for management of patients with virogic failure on the first line therapy in sub-Saharan Africa (REVAMP) project for period ended 30th June 2019	Human Capital Development	Unqualified	• I observed that USD.139,711.11 was utilized by Project Management representing an absorption level of 81.5% resulting in an under absorption of USD.31,782.76 which was 18.5% of the funds available for utilization.

Mbarara University of Science and Technology Smart Discharge Study to improve Post-health outcomes in children Project for the period ended 31st March 2021	Human Capital Development	Unqualified	I observed that; • The project received a total amount of $ 266,658.90 CAD (83%), out of the budgeted amount of $320,873 CAD, resulting to a shortfall of $ 54,215 CAD. • Out of the total available funds of $274,301.58 CAD, only $252,574.78 was utilized by project management representing an absorption level of 92%.
Metabolic and Molecular Ecological Evaluation of Opportunity Pulmonary Fungal Co-Infection (MEMOF) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues
Microfinance Support Center Limited (MSCL)	Private Sector Development	Unqualified	I observed that; • The entity lacks an appropriate governance framework that includes policies and procedures for credit risk management, credit risk assessment, credit risk measurement, credit risk reporting, and credit risk mitigation. • The Company budgeted to collect UGX.55.77Bn during the year but collected only UGX.25.30 Bn representing a 53% performance.

			• The entity was supposed to receive a subvention of UGX.186.29Bn from FINA, out of which UGX.174.29Bn was released to the entity, resulting in a shortfall of UGX.12Bn. • The company prepared periodic budget performance reports which were not quantified and therefore, the audit was limited in assessing the actual performance against set targets for each department. • Out of 166 employees on the MSC April 2023 salary payroll, a total of 165 (99.6%) were fully verified, while 1 (0.4%) did not show up for verification. • Out of the total available Emyooga funds of UGX.152.7Bn, a total of UGX.68Bn was spent and/or disbursed by the entity, leaving a balance of UGX.84.7Bn (44%). • Out of UGX.124.2Bn loan portfolio relating to conventional lending that was outstanding, 71% were not perfoming of which 85% were SME loans in Agriculture and environment and SMEs in trade and commerce. • Three clients received UGX.900Mn disbursements before the perfection of the securities, which were later cancelled by the Lands Registrar when they were presented for perfection. • Out of the Local Economic Growth Support (LEGS) Fund of USD.10Mn, only USD.3.95Mn (39.5%) had been utilisation since inception, despite the project being in the last year of implementation.
Ministry of Trade, Industry and Co-operatives (MoTIC)	Agro-industrialization Manufacturing Private Sector Development	Qualified	I noted that: • Funds amounting to UGX.3.544Bn were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Of the UGX.17.5 Bn paid out during the year to the Cooperative Unions and Societies, only UGX.6.640Bn was provided for in the Ministry's approved budget and the excess payment of UGX.10.850Bn was not supported by either the original Approved Budget or a Supplementary budget. • UGX.139.147Bn was paid to Cooperative Unions however, no individual file relating to the cooperatives listed was availed to prove the amounts being claimed for compensation and also existence of these cooperatives. • The entity did not budget to collect any NTR during the year. However, by the end of the financial year, UGX.64Mn had been collected. • Seven (7) outputs with Sixteen (16) activities worth UGX.410Bn were partially implemented. Out of the Sixteen (16) activities, two (2) activities were fully implemented, seven (7) activities were partially implemented, while seven (7)

			activities were not implemented. One (1) output with two (2) activities worth UGX.1.19Bn were not implemented at all. • Payments amounting to UGX.13.889Bn were made to persons and law firms other than the beneficiary Cooperative societies who were acting as third parties for the Cooperative Unions. There was no evidence in form of confirmation or acknowledgement of receipt of monies by the Cooperative Unions. Third party payments may be a method of siphoning out funds to non-bonafide parties creating a risk of loss of funds. • Payments of UGX.5.369Bn to Cooperative Unions through Law firms was made directly to the bank accounts of the Law firms for compensation of the war claims, but only UGX.0.650Bn was actually received by the Cooperatives Unions as per their bank statements. • Funds amounting to UGX.6.140Bn were not paid out to the cooperative unions, despite being listed in the work plan to receive the respective amounts. • Funds totalling to UGX.16.9Bn was irregularly paid out to eleven (11) Cooperative Unions that were not in the approved work plan. Some of the Cooperative Unions included Jinja Multipurpose Cooperative Society, Bumwambu Growers Cooperative Union Limited, Busoga Growers Cooperative union among other. • There was no evidence in the verification reports showing any participation of Cooperative union members or their representatives to agree on the new verified claimed amounts to be paid, as it was only the verification committee members who signed. There were no minutes to prove any agreement on the resolutions taken. This casts doubt on the existence of these Cooperative Unions and may be the reason for the loss of monies to third party Law Firms. • Planned procurements to the tune of UGX.4.4Bn were not implemented although they formed part of the procurement plan. • Ministry chose to use the direct procurement method other than the alternate methods that could have offered fair pricing and fair competition. The total amount spent on direct procurements was UGX.197Mn.
Ministry of Agriculture, Animal Industry and Fisheries (MAAIF)	Agro-industrialization	Unqualified	I observed that; • The Ministry had an approved budget of UGX.191.79Bn out of which UGX.177.87Bn was warranted representing 93% performance. Out of the total warrants of UGX.177.87Bn, only UGX.173.28Bn was spent by the Ministry resulting in an unspent balance of UGX.4.58Bn representing an absorption level of 97%. • Of the 82 quantified activities worth UGX.55.4Bn assessed; 36 activities representing 44% were fully implemented, 37 activities representing 45% were

			partially implemented, while nine (09) activities representing 11% were not implemented. • Funds worth UGX.0.94Bn were irregularly diverted from the activities without seeking and obtaining the necessary approvals. • There were significant delays in contract implementation with subsequent delays in distribution of procured agricultural resources to the beneficiaries and delays in completion of agricultural works. • Insufficient involvement of the districts in the planning for their Foot and Mouth Disease (FMD) requirements. There was also delays in the procurement process for FMD inputs, delivery by suppliers and distribution by MAAIF and a lack of standard operating procedures in the management of these inputs. • Delays in the procurement of heavy earth moving equipment, delivery by suppliers, distribution by MAAIF, poor management of equipment by beneficiaries, lack of timely supervision by MAAIF and a lack of standard operating procedures in the management of the acquired equipment. • Several inconsistencies in employee details, failure by MAAIF to utilize wage funds effectively, payments on wrong scales, staff working without running contracts, unpaid entitlements and delays in appointing eligible staff. • There was failure to fund the strategic interventions to boost food and animal feed security in the country through facilitating the Large Scale Farmers and MAAIF supervision activities. • Untimely budget implementation and monitoring by the Ministry with significant delays in implementing planned activities despite availability of funding.
Ministry of Defence and Veteran Affairs (MODVA)	Governance and Security	Unqualified	I observed the following: • The entity had an NTR estimate of UGX 0.71Bn and by the end of the year UGX.0.658Bn had been collected representing a performance of 93% • The entity had a total budget of UGX.4.287Tn out of which UGX.3.813Tn was warranted resulting in a shortfall of UGX.0.474Bn representing an 89% performance. • Out of the total warrants of UGX.3.813Tn availed to the entity during the year, UGX.3.812Tn was utilized resulting in un-utilized warrants of UGX.0.657Bn representing 99.98%. • 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.

			• Out of 155 employees on Ministry of Defence and Veteran Affairs February 2023 salary payroll, a total of 148 (95.5%) were fully verified, while 7 (4.5%) were not verified. • A total of 7 (4.5%) employees on the payroll did not appear for the validation. • A total of 45 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured. • Out of the UGX.2.872Tn Budgeted and approved wage funds for the four financial years, only UGX.2.872Tn (99.9%) was spent giving rise to unspent balances amounting to UGX.0.125Bn • The Ministry has been paying three (3) individuals who do not appear on the payroll of the entity. • Out of 199 approved positions, 139 positions were filled leaving a gap of 60 vacant positions. • According to the UPDF Farm performance on food intervention UGX.9.1Bn out of the expected 38Bn was realised, resulting in an under performance of UGX.28.9Bn representing 76% underperformance. • Only 11,581 (79%) acres had been cleared for cultivation out of which 8,958 (77%) had been cultivated while the balance of 2,623 acres were left idle. • The Ministry under budgeted for UGX.1.779Bn as funds for compensating third parties despite having outstanding liabilities from court cases totalling to UGX.72.938Bn. • There is a variance of UGX.6.116Bn in the outstanding liability for court awards and compensation recorded by MoDVA as at 30th June 2023, with what is recorded the Ministry of Justice and Constitutional Affairs (MoJCA). • The entity reported total non-current assets of UGX.14,367,295,822,972 in the statement of Financial Position. The valuation of these Non-Current assets has been done by the entity using the valuation guidelines issued by the Accountant General. • Included in the total expenditure of UGX.3,812,800,808,790 is expenditure worth UGX.2,158,846,193,668, which relates to classified expenditure. This expenditure is audited and reported on separately. • The Ministry does not have formal criteria or guidelines to follow when settling court awards and compensations. • MoDVA has 30 court compensations worth UGX.4.294Bn awarded between 2016 up to June 2023, whose awards includes interest. • MoDVA acquired land comprised at plot 1-21 Nyonyintono Road LRV 3786 Folio 19 Njeru Buikwe at a cost of UGX.7.8Bn. This freehold title was later cancelled, and the private mailo land title (Block 542-Plot2) was reinstated implying that the compensation by the Ministry was effected to the wrong beneficiary.

			• Construction of UPDF National Referral Hospital at Lower Mbuya had stalled and been abandoned. • I noted delayed works on the Upgrade and renovation of Mandela National Stadium.
Ministry of East African Community Affairs	Agro-industrialization Governance and security Private Sector Development	Unqualified	I noted that; • The Ministry had NTR estimate of UGX 0.013Bn and by the end of the year UGX. 0.042Bn had been collected representing a performance of 328%. • The Ministry had a total approved budget of UGX.48.55Bn out of which UGX 48.48Bn was warranted resulting in a shortfall of UGX 0.07Bn representing a 99.8% performance. • Out of the total warrants of UGX. 48.475Bn, UGX 40.133Bn was spent by the entity resulting in un-utilized warrants of UGX 8.342Bn representing 82.8% utilization. • The Ministry had 71 employees on the payroll who were all verified. • Six (6) employees on the payroll had inconsistencies in their names and 17 employees on the payroll had inconsistences in their dates of birth. • Salary arrears for three employees worth UGX.13.228Mn were not budgeted for. • The Ministry under absorbed the wage budget by UGX.1.031Bn. • Out of 93 approved positions; only 71 (76%) positions were filled leaving a gap of 22 vacant positions. • The Ministry had unpaid pension arrears amounting to UGX.8.991Bn. • The Ministry did not budget for settlement of domestic arrears despite accumulating arrears worth UGX.10.685Bn.
Ministry of Education and Sports (MOES)	Human Capital Development	Unqualified	• I noted that; • UGX.366.77Bn was warranted of an approved budget of UGX.699.07Bn resulting in a shortfall of UGX.332.3Bn representing a 52.5% performance. • Out of the total warrants of UGX.366.7Bn availed to the entity during the year, UGX.361.9Bn was utilized resulting into un-utilized warrants of UGX 2.63Bn representing 99% utilization. • A total of 40 employees on the Main payroll and 11 on short-term payroll, had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • Out of 2678 approved positions, a total of 1686 positions were filled leaving a gap of 992 vacant positions.

			• UGX. 12,947,492,932 was paid to various companies and schools for completion of a number of structures but these were not completed. • Out of the total outstanding arrears worth UGX.77,427,220,022 in the financial year 2021/2022 the ministry was allocated only UGX.11,000,000,000 leaving UGX.66,427,220,022 domestic arrears not budget for. • A number of draft policies have not been finalised. • I noted that 199 private schools did not have record of ownership despite their existence.

Ministry of Energy and Mineral Development (MEMD)	Mineral Development Sustainable Petroleum Development Sustainable Energy Development	Unqualified	I observed that; • Out of the budgeted NTR of UGX.54.27Bn, only UGX. 15.59Bn was realized, representing performance of 29%. • The Ministry had an approved budget of UGX.1.79Tn, out of which UGX.674.45Bn (38%) was warranted and UGX.664.18Bn was utilized representing a 98% absorption level. • Seven (7) outputs worth UGX.669.67 were not supported by individual activity costing and budgets. • Out of the seven (7) outputs assessed one (1) output with worth UGX.53.46Bn was fully implemented while six (6) outputs worth UGX.390.39Bn were partially implemented • The Ministry received supplementary funds of amounting to UGX.104.14Bn without the necessary requests and approvals. • The Programmes of Sustainable Energy Development, Mineral development and Sustainable Petroleum Development head by the ministry were underfunded by UGX.878,984,616,863 (34%). • Out of the total warrants of UGX.1.72Tn, UGX.1.7Tn was utilized representing a performance of 99% and un-utilized warrants of UGX.13.38Bn. • Out of 485 activities reviewed under the three (3) Programmes, 320 (66%) were aligned to the PIAP out-puts while 165 were not linked to the PIAPs. • Out of the 91 PIAP interventions analyzed under the three (3) Programmes, 29 (32%) could be traced in the entity work plans. • The Sustainable Petroleum and Mineral Development Program Working Groups (PWG) were not functional. In addition, state enterprises were not represented in the meetings of the Sustainable Energy PWGs. • There was no evidence of quarterly reviews and tracking of performance for the PIAPs by the PWGs. Furthermore, KML was not included in the work plans and reports of the Mineral Development Programme Work Plan. • The Ministry had a total wage budget of UGX.68.33Bn out of which UGX.61.3Bn was utilised, representing 89.7% performance. • Out of 360 employees on the Ministry's February 2023 salary payroll, 347 (96.4%) employees were fully verified, one (1) was not verified, while 12 did not appear for the validation. • Out of the 218 employees on Ministry's short term salary payroll for February 2023, 100 (46%) employees were fully verified, 66 (30%) were partially verified, 46 (21%) were not verified, while 6 (3%) did not appear for validation.

			• The entity recruited 97 staff on contract basis without vacancies in the approved contract staff establishment. • Mineral Royalties amounting to UGX.1.36Bn had not been remitted to the Mineral Royalties sharing fund account. • There were receivables due from UETCL amounting to UGX.170.38Bn relating to Levy on transmission bulk purchase of electricity that have been outstanding for over 2 years. These should facilitate development of the electricity supply industry. • Payables amounting to UGX.7.54Bn remained outstanding. In addition, there were contingent liabilities amounting to UGX.516.13Bn relating to legal proceedings and unpaid PAPs from previous financial years. • The construction works for the Beneficiation centre in Fortportal were shoddy and incomplete which delayed the operationalisation of the centre. • Annual Mineral Rent fees amounting to UGX.1.13Bn due from mining companies remained outstanding as at year - end. In addition, Gold export levies amounting to UGX. 5.38Bn. • The National Mining Company had not been established as required by the Mining and Minerals Act, 2022. • Out of the total of 12,813 PAPs under 4 projects (EACOP, Karuma HPP, Isimba HPP and West Nile Grid Extension), 11,767 (92%) PAPs were compensated leaving 1,046 unpaid PAPs with outstanding claims of UGX.20.28Bn. • Out of the 711 expected land titles, only 285 (40%) titles have been received from PAPs out of which 144 have been transferred to Uganda Land Commission. In addition, 176 titles were processed and returned to the landowners while 109 (38%) titles had not been returned to the owners.

Ministry of Finance, Planning and Economic Development (MoFPED)	Private Sector Development	Unqualified	I noted that; • According to the approved NTR estimates for the FY 2022/2023, the entity budgeted to collect UGX.500Mn during the year. However, by the end of the year only UGX.399Mn had been collected representing a 80% performance of the budgeted revenue. • The entity had an approved budget of UGX.2.639Tn from the various programs out of which UGX.2.620Tn was released resulting in a shortfall of UGX.18.74Bn representing an overall performance of 99.29%. • Out of the total release of UGX.2.620Tn availed to the entity during the year, UGX.2.573Tn was utilized resulting in un-utilized warrants of UGX.47.209Bn representing 98.2% utilization. • Out of 466 employees on the MoFPED February 2023 salary payroll, a total of 441 representing 95% were fully verified, 5 representing 1.1% retired after February 2023, and 20 representing 4.3% did not show up and were not verified. • Out of 525 temporary employees on MoFPED February 2023 salary payroll, a total of 515, (98%) were fully verified, while 9 (0.02%) did not show up. • I reviewed the Budgets and Actual Expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX.207.131Bn Budgeted and approved wage funds for the four financial years, only UGX.169.375Bn was spent giving rise to unspent balances amounting to UGX.37.756Bn • Out of the total receipts of UGX.1.061Tn, UGX.1.06Tn was spent by the Ministry for PDM resulting to un-utilized funds of UGX.925Mn meant for disbursement to the various PDM SACCOs • An analysis of the payments details of MoFPED revealed that 100% of the budgeted amount of UGX.1,059.4Bn meant for 10,594 SACCOs was released. I noted that 10,584 SACCOs each received of UGX.100 million and 1 SACCO received UGX.75 million. The remaining 9 gazetted SACCOs did not receive the any funds • As presented in the statement of financial position, domestic arrears of the Ministry stood at UGX.888.3Bn as at 30th June 2023, up from UGX.473.2Bn in FY 2021/22. This represents an annual increase of UGX.415.1Bn (87.3%). I noted that the appropriation for payment of domestic arrears in the year under review was only 2%, implying that UGX.463.69Bn of the opening carrying amount remained unpaid at the year end. • A review of all payments made to the contractor engaged on construction of the Office Block by October 2023, revealed that UGX.20.394Bn representing (44.7%) of the contract price had been paid to the contractor, while actual progress was at 29% for phase 2. Delays in the completion of project have led to cost overruns to

			the Ministry of UGX.4.354Bn in regards to relocation costs, and parking costs for the financial year under review. • The Ministry contracted a foreign firm for the collection of rental revenue by URA. However, while an Intellectual Property ownership clause is present in the signed contract, it does not provide for the transfer of intellectual property rights to URA/MoFPED. Instead, it emphasizes the vendor's ownership rights, including all intellectual property associated with the Rental Compliance System software and its documentation. • I further observed that in the execution of the contract with the foreign firm, VAT was neither collected from the firm, nor accounted for by URA regarding the contract. The invoices to URA designated these services as exempt, yet such services are not included in the VAT Act's Schedule 2, which details exempt supplies. Consequently, there appears to be a VAT omission of UGX.2.167Bn related to the services provided.
Ministry of Foreign Affairs (MoFA)	Community Mobilization and Mindset Change Development Plan Implementation Governance and Security Manufacturing	Unqualified	I observed that; • According to the approved NTR estimates for the FYR 2022/2023, the Ministry budgeted to collect UGX.0.250Bn during the financial year however, by the end of the year UGX.0.691Bn had been collected representing a 153% performance. • The entity had an approved budget of UGX.51.88Bn for the various programmes out of which UGX.51.553Bn was warranted. • Out of the total warrants of UGX.51.55Bn availed to the entity during the year, UGX.50.135Bn was utilized resulting in un-utilized warrants of UGX.1.417Bn. • Out of fourteen (14) outputs that had been fully quantified with a total of one hundred thirty (130) activities worth UGX.47.888Bn and noted that two (2) outputs with seven (7) activities and expenditure worth UGX.26.421Bn were fully implemented, twelve (12) outputs with one hundred twenty-three (123) activities worth UGX.21.467Bn were partially implemented. Out of the one hundred twenty-three (123) activities, the entity fully implemented sixty-five (65) activities; forty-two (42) activities were partially implemented, while sixteen (16) activities remained unimplemented. • The Ministry had 326 employees on the February 2023 payroll of which 312 (96%) were fully verified while 14 (4%) did not show up for the validation exercise. • Out of 326 employees who were on the payroll of February 2023 obtained from the Ministry of Public Service, 312 (96%) employees who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment.

			• 11 staff on the Ministry's payroll for the month of February 2023 did not appear for the headcount but were accounted for by the Accounting Officer. • Three (3) staff on the Ministry's payroll for the month of February 2023 did not appear for the headcount but no genuine reason was provided. • 22 individuals whose names were not on the Ministry's February 2023 payroll appeared for the validation exercise. • Thirty-three (33) individuals had inconsistencies in the names captured on the payroll and those captured in the NIRA data, one individual had discrepancies in his Gender. According to the MofA payroll the Gender captured is "Female" yet the National ID shows "Male" and he is Male and seventeen (17) employees had discrepancies in their dates of birth. • There were over and under-remittance of deductions worth UGX.9,871,551 and UGX.250,714,167 respectively during the four-year period. • UGX.3,967,441,361 was charged on wrong account code contrary to the posting terms. • UGX.108,925,238 was irregularly paid from salary code 211101 to various accounts/beneficiaries for activities not related to salary payments. • Salary arrears for twelve (12) employees worth UGX.127,562,762 were not paid. • Although the Ministry had 557 approved positions, only 336 (60%) positions were filled leaving a gap of 221 positions as per the establishment. • At the end of the financial year, the Ministry had unpaid subscriptions/contributions to International Organisations totalling to UGX.41,867,512,121. • During the year, a total of UGX.528,000,000 was advanced to Global Pan African Movement and Pan African Women Organisation to fund their activities however the Ministry had no MOUs with the two organisations to define the nature and kind of cooperation between the Ministry and the Organisations and I was also not availed accountability from these organisations. • There were inadequate capital budgets for Missions. • With regard to the progress of on-going construction and renovation works, whereas a number of these projects were progressing well, some projects were behind schedule. • Out of 11 Mission sampled 198 scholarships from six countries were fully utilized while 89 scholarships from five countries were not fully utilized. • Five (5) Missions secured trade/business opportunities for Ugandans which were shared with Ministry of Foreign Affairs for onward transfer to Uganda Investment Authority and Ministry of Trade, however by the time of drafting this report there was no evidence that MOFA had forwarded these opportunities to the relevant entity for follow-up.

			• Two (2) Missions offered Government Land in prime areas for construction of Chanceries and residences. At the time of the Audit this land was still vacant and un-developed. • A number of Accounting Officers did not convene quarterly Finance Committee meetings during the Financial Year under review contrary to the requirements of the Treasury Instructions. • Twenty (20) Missions were overstaffed. The total approved establishment for the 20 missions was 77 officers while the actual staff in post was 104 officers resulting in an over establishment of 27 staff representing 135% level of staffing. • Three (3) cases where the Mission's current staff structure does not provide the required human resources to effectively execute the mandates of the Missions. • There is no direct integration between the PBS system used by the Missions for planning, budgeting and tracking performance with the Navision system used for receipt, payments and financial reporting.
Ministry of Gender, Labour and Social Development (MoGLSD).	Community Mobilization and Mindset Change Governance and Security Human Capital Development	Unqualified	I observed that; • Out of the budget of UGX.293,955,694,694, only UGX 275,786,239,169 was warranted resulting in a shortfall of UGX 18,169,455,525 (7%). • The Ministry budgeted to collect NTR of UGX 12.39Bn during the year. However, UGX 14.789Bn was collected representing a 119.4% performance. • Five (5) outputs with forty-seven (47) activities worth UGX.29.25Bn were fully implemented. • Six (6) outputs with fifty-two (52) activities worth UGX.4.566Bn were partially implemented. • Two (2) output with three (3) activities worth 0.152Bn were not implemented at all. • Out of 365 employees on the Ministry May 2023 Main salary payroll, 354 staff (97%) were fully verified while 11 staff (3%) were not verified. • Out of 289 employees on the Ministry May 2023 temporary salary payroll, 286 staff (99%) were fully verified while 3 staff (1%) were not verified. • Out of 665 approved Ministry positions, only 365 positions were filled leaving a gap of 300 vacant positions. • Out of the YPL recoverable amount of UGX.169,414,124,329, only UGX. 39,772,804,412 (23%) was repaid by various Youth Groups into the recovery account by 30th June 2023, thus UGX. 129,641,319,917 (7.7%) remained unrecovered.

			• Out of the UWEP recoverable amount of UGX. 67,619,290,862, only UGX. 32,325,743,967 (48%) was repaid by various Women Groups into the recovery account by 30th June 2023, hence UGX. 35,293,546,895 (52%) remained unrecovered. • The Ministry did not maintain updated ledgers for 22,342 and 19,723, Youth and Women Groups respectively. • The reported recovered amounts could not be reconciled and traced to the local governments/ youth groups. • UGX. 71,014,761,431 recovered over the years from the two programs (YLP & UWEP) had not been revolved to other Groups in the districts. • 874 workplaces had not renewed their operating certificates and therefore Government was unable to collect UGX 1,520,950,000 from renewal fees.
Ministry of Health (MOH)	Human Capital Development	Unqualified	I noted that; • Out of the UGX.1,560.165Bn total warrants, UGX.226Bn was GoU component to facilitate mainstream Ministry. Of this the Ministry spent 223.489Bn resulting into an unspent balance of UGX.3.136Bn. As a result, I assessed the implementation of nineteen (19) outputs worth UGX.154.29Bn of which sixteen (16) outputs had been fully quantified with a total of two hundred and twenty-six (226) activities and noted two (2) outputs were fully implemented, thirteen (13) were partially implemented while one (1) was not implemented at all. • The Ministry charged the wrong expenditure codes to the tune of UGX.169,509,558. • There was no dedicated team to oversee implementation of the national oxygen scale up plan, and the National database of oxygen equipment inventory had not yet been established. I further noted that at the time of audit in September 2023, the oxygen plants at Lira, Mbale, and Gulu RRHs were not functional; only 7%, 9% and 11% of nurses, midwives and clinical officers respectively received training on hypoxemia management, which was far short of the 80% target. Only 51% of the facilities had budgeted for medical oxygen supplies. • Construction works for the remodeling of the maternity complex for an ICU at Masaka Regional Referral Hospital were not by the Ministry as required under the MoU. In addition, the works had stalled at the time of audit inspection. • Out of the 500 employees on the government Salary Payroll, 489 were fully verified and 11 employees did not appear for validation and of those 8 were retired, 1 was erroneously included on the MoH payroll during migration to HCM, 1 had all the

			pre-requisite documents and was included on the payroll and 1staff had passed on in September 2022 while 1 had passed on. • Out of 46 employees on Ministry of Health February 2023 salary payroll for Sort-term/temporary staff, a total of 45, (98%) were fully verified, 01 (2%) did not show up. • Out of the UGX.183.360Bn Budgeted and approved wage funds for the period between 2019/20 to 2022/23, only UGX.156.001Bn was spent giving rise to unspent balances of UGX.27.359Bn. • Out of 668 approved positions, a total of 468 positions were filled leaving a gap of 200 vacant positions. The Ministry did not have an approved staff establishment for the local contract staff. • 72 staff were hired on contract terms of which 45 were on the local contract staff list while 27 were Global Fund project staff and not on the HR department staff list provided. • The Ministry maintains separate payrolls for permanent/mainstream staff and for the contract/short term staff. • The Ministry of Health had unabsorbed wage bills over the FYs 2021/22, and 2022/23 of UGX.732,582,156. • UGX.41,612,045 paid to 7 staff was charged on the wrong account codes. • Out of the total receipts of UGX.7.992 Bn for PDM, UGX.7.111 Bn (89%) was spent by the entity resulting into un-utilized funds of UGX.0.881 Bn (11%). only 7 out of 11 of the Working Group planned outputs were reflected in the approved Ministry of Health annual work plan for FY2022/23, indicating a 36% alignment. No PDM implementation action plans had been developed and issued by the Secretariat at the time of Audit in September 2023. In addition, the Ministry of Health did not prepare and submit the required 4 quarterly performance reports to the secretariat. • Domestic arrears and other payables increased from UGX.54.4 Bn in the previous year to UGX.72.8 Bn as at 30th June, 2023 (representing an increase of 34%). I also noted that a sum of UGX.11,518,463,673 was budgeted to settle domestic arrears during the year 2022/23. However, the domestic arrears brought forward from the prior year amounted to UGX.54,439,306,151, resulting in a budget shortfall for domestic arrears of UGX.42,920,842,478. • An intangible asset (computer software) was not amortized thereby understating the depreciation expense and overstating non-current assets by UGX.142,221,327. • Included in the contingent liabilities is a sum of UGX. 67,617,513,758 (representing 89.4%) that has remained unresolved for a long time. In addition, review of the NDA financial statements for the period ended 30th June 2023 revealed that the

			Ministry owes the Authority UGX.51,227,471,307 and this figure was included in the accounts receivable of the Authority. • Eight (8) projects under the infrastructure interventions by MoDVA were rolled over from financial year 2021/22 and 8 projects were planned for the Financial Year 2022/23. Review of progress of these projects indicated that some projects were behind schedule. Furthermore, works had not commenced at Masindi, Bugiri and Abim General Hospitals. • There was delayed construction of modular houses at Elegu, Mirama Hills and Busia (formerly Katuna site). The Ministry failed to acquire land at Mirama Hills, and the units were to be relocated to a regional Referral Hospital. The 20 residential units constructed at Namboole (formerly Mpondwe site) were not in use. • The average overall PFM performance by Ministry of Health during the financial year 2022/23 was 2.6 (fairly satisfactory performance) against a target of 4.0. • There was lack of a comprehensive procurement plan; failure of the Ministry to use the e-GP system while 4 procurements were delayed.

Ministry of ICT and National Guidance	Community Mobilization and Mindset Change Digital Transformation	Unqualified	I noted that; • The Ministry had an approved budget of UGX.213.967Bn from the various programs, out of which, UGX.168.532Bn was warranted, resulting in a shortfall of UGX.45.435Bn representing an overall performance of 78.77%. • Out of the total warrants of UGX.168.532Bn availed to the Ministry during the year, UGX.166.232Bn was utilized resulting in unutilized warrants of UGX.2.3Bn representing 98.64% utilization. • Out of 117 employees on the Ministry of ICT&NG February 2023 salary payroll, 106 (90.6%) employees were fully verified, while 11 (9.4%) did not show up. Out of those who did not show up, 10 (ten) were not accounted for but paid UGX.15.46Mn, and one (1) was accounted for by Management. • A total of 11 (Eleven) individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents and the Accounting Officer acknowledged their existence. The staff were recommended to be added on the payroll. • The Ministry paid some of its employees on wrong scales/notches leading to overpayments of UGX.54.6Mn to 41 employees and underpayments by UGX.97.4Mn to 94 employees. • Out of 177 approved positions, a total of 118 positions were filled leaving a gap of 59 vacant positions. • The Accounting Officer did not make sufficient budget provisions towards the settlement of domestic arrears despite the accumulation of a total of UGX.320.471Bn, in unpaid obligations. The amount provided in the budget for 2022/23 was only UGX.74.6Bn which is 23% of the reported arrears for the previous financial year. • The contract for the Electronic Records Document Management System procured at a contract price of UGX.354Mn, stated that the source codes were to be owned by the supplier until such a time when both parties agree otherwise. This was a weak clause in the contract, given the fact that the system belongs to the Ministry and as such, ownership of the most critical element of the system (the source code) should have been pronounced right from the onset of the agreement.
Ministry of Internal Affairs (MIA)	Governance and Security	Unqualified	I noted the following: • MIA budgeted to collect UGX.1.7Bn during the financial year; however, only UGX.1.6Bn was collected, representing a 94% performance.

			• MIA had an approved budget of UGX.60.58Bn, out of which UGX.57.33Bn was warranted, resulting in a shortfall of UGX.3.25Bn, representing a 95% performance. Out of the total warrants of UGX.57.33Bn availed to the entity during the year, UGX.57.23Bn was utilised, resulting in un-utilised warrants of UGX.0.10Bn representing 99.8% utilisation. • Budgets for three (3) outputs assessed were not supported by individual activity costing and budgets. • 9 outputs with 35 activities and expenditure worth UGX. 23.05Bn were fully implemented and 8 outputs with 55 activities worth UGX.19.4Bn were partially implemented. • Out of 156 employees, a total of 155 (99.4%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified, and one employee on the payroll who did not appear for the validation was away on official study leave and was left on the payroll, pending validation upon his return. • Twenty-three (23) individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. Upon confirmation by the Accounting Officer regarding their status, these individuals were included on the validated payroll. • Seven (07) employees on the payroll had inconsistencies in their dates of birth captured in the payroll and data captured by NIRA on the National Identity cards. • Out of the UGX.9.5Bn budgeted and approved wage funds for the four financial years under review, only UGX. 8.4Bn was spent, giving rise to unspent balances amounting to UGX.1.1Bn • Out of 225 approved positions, a total of 176 positions were filled, leaving a gap of 49 vacant positions. However, I was not availed the approved structure for Amnesty Commission, though the above-validated staff includes those of the Commission. • The Directorate of Community Service has eight (08) regions across the country, each with one staff and offices in 79 districts, each with one officer, leaving 67 out of the 146 districts in the country without any district community service officers. Further, the directorate only has five operational vehicles, three at the Ministry headquarters and two at the regional officers; thus, the six regional offices do not have vehicles. • In the financial year 2022/2023, out of the 29,183 offenders identified as eligible for community service orders, only 13,993 (48%) social inquiry reports were prepared.

			• 3% of the sentenced offenders absconded from fulfilling their community service orders in the FYR 2022/2023. • Cases of trafficking of persons have increased over time, with cases rising by 185% from 421 cases in 2021 to 1200 cases in 2022. • Government does not have shelters for victims of trafficking, and the temporary shelter at CID headquarters is very small. • The Coordination Office for prevention of trafficking in persons at the Ministry of Internal Affairs faces challenges in responding to complaints of abuse from suspected trafficked persons especially migrant workers, which at times results in the death of some victims due to delayed response. • Though the trafficking in persons database was developed by the International Organization for Migration (IOM), it is not being utilised by the Ministry of Internal Affairs. • According to the budget estimates for the year the Ministry did not have a budget to settle outstanding arrears of prior years of UGX.2.422Bn and accumulated additional UGX.5.937Bn leading to closing arrears at the year-end of UGX.8.2Bn
Ministry of Justice and Constitutional Affairs (MoJCA)	Governance and Security	Unqualified	Audit revealed the following: • Out of the total warrants of UGX.127.137Bn availed to the entity during the year under the Governance and Security programme, UGX.121.811Bn was utilised, resulting in un-utilised warrants of UGX.5.326Bn representing 96% utilisation. • Out of the total receipts availed to the entity for the financial year of UGX.373.724Bn, UGX.348.752Bn was spent by the entity, resulting in an unspent balance of UGX.24.972Bn representing an absorption level of 93%. • Out of 12 quantified outputs worth UGX.51.028Bn assessed, One (01) output worth UGX.1.621Bn was fully implemented, while 11 outputs worth UGX.49.406Bn were partially implemented. • Operations of the Administrator General; Out of the total warrants of UGX.2.26Bn availed during the year, UGX.1.486Bn (representing 66% utilisation) was utilised, while UGX.0.774Bn was un-utilised. I also noted that all three (03) outputs under the Administrator General, comprising fourteen (14) activities worth UGX.1.486Bn, were partially implemented. • The total funds available on the estate account for 402 estates of deceased individuals amounted to UGX.2.874Bn. However, out of this, only UGX.0.469Bn (03%) was paid to the estates' beneficiaries in the financial year 2022/2023, leaving a balance of UGX.2.405Bn as at 30th June 2023.

			• Out of the 4,509 certificates of no objection processed to completion, the Administrator General experienced delays ranging from 21 days to 4.5 years in processing 4,435 certificates (98%), translating into an average delay of 1.5 years. I reviewed 277 beneficiary files and noted that only 10 CONOs (04%) were processed within 19 days after the families' consent. This implies that the Administrator General experienced delays in processing 267 certificates of no objection (96%), with delays ranging from 1 to 4 years. I assessed the timeliness of the clearance of contracts submitted to the Solicitor General by the Directorate of Legal Advisory and Consultative Services and observed that; • Out of the total warrants of UGX.1.965Bn availed to the directorate during the year, UGX.1.725Bn was utilised, resulting in un-utilised warrants of UGX.0.240Bn representing 88% utilisation. I further assessed the implementation of three (03) outputs that had been fully quantified worth UGX. 1.726Bn and noted that all of the three (03) outputs were partially implemented. • Out of 1,830 requests to the Solicitor General to clear contracts, only 554 (or 30%) of the requests were cleared within the 14 days provided in the charter. • Out of 1,214 cleared contracts, over 50% of the contract clearance reports are dispatched within two (02) days. • There instances where the dispatch of reports is not immediate. For instance, the Ministry took between 10 to 30 days to dispatch 129 cleared contracts and more than one month to inform 88 Institutions of their cleared contracts. • DLAS as a department had an approved structure of 52 staff. Out of this, 38 positions were filled, and 14 were vacant, representing 27% of the approved structure. • During the financial years 2020/21, 2021/22 and 2022/23, MoJCA budgeted for UGX.155.73Bn for the settlement of court awards and compensations to third parties, out of which UGX.108.39Bn was released and spent. The Ministry procured the Directorate of Civil Litigation Information Management System (DCLIMS) to provide automated functionality to manage civil suits filed against the Government in the courts of law. A review of the user logs showed limited access to and utilisation of the information on the system. I also found that cases handled by other government institutions are not recorded on the system and that old files of decided cases have not yet been migrated to the system. As such, the actual liability of government arising out of court cases may be inaccurate. I also noted the following;

			• 144 cases comprising paid and unsettled cases worth UGX.45.18Bn were not recorded in the databases. • Out of 84 unsettled court awards, 18 court awards worth UGX.12.251Bn remained unpaid for a period ranging from 7 to 19 years. This has resulted in accumulated interest totalling to UGX.25.165Bn, exceeding the principal amounts awarded by UGX.12.915Bn. • Out of 29 communications to MDALs on court awards, the Ministry made a timely communicated court award in one instance. For the other cases, delays in communicating court awards ranged from 20 days to 5 years, implying an average delay of over one (1) year. • Out of 314 employees on the MoJCA February 2023 salary payroll, a total of 311 (99%) were verified, while 3 (1%) did not show up, 101 employees on the payroll had inconsistencies in their names and dates of birth, captured in the payroll and data captured by NIRA on the National Identity cards. • Out of the UGX.37.409Bn budgeted and approved wage funds for the four financial years, only UGX.31.085Bn was spent giving rise to unspent balances amounting to UGX.6.325Bn. • Under–remittance of UGX.0.202Bn of statutory deductions were made by the entity during the period. • Out of 441 approved positions, a total of 349 positions were filled leaving a gap of 92 vacant positions. • Accumulated domestic arrears increased from UGX.531.295Bn in the previous year to UGX.740.890Bn as at 30th June 2023, representing an increase in arrears by 39.4%. The Ministry budgeted for UGX.30Bn to settle arrears due to war debt claimants. However, no funding was availed, and thus no payments were made despite the verified actual liability figure of UGX.297.5Bn at the start of the year.
Ministry of Kampala Capital City and Metropolitan Affairs	Development Plan Implementation Public Sector Transformation Sustainable Urbanisation and Housing	Unqualified	I noted that; • The Ministry had an approved budget of UGX.10.215Bn from the various programmes out of which UGX.8.346Bn was warranted resulting in a shortfall of UGX.1.869 representing 82% performance. • Out of the total warrants of UGX.8.346Bn availed to the entity during the year, UGX.8.127Bn was utilized resulting in un-utilized warrants of UGX.0.219Bn representing 97% • The budgets for the six (6) outputs assessed were not supported by individual activity costing and budgets.

			• Out of the 53 activities, the entity fully implemented 44 activities and the remaining (9) activities were partially implemented. • UGX. 80,734,600 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 UGX. 980,000,000 budgeted and approved wage funds for the financial years 2021/2022-2022/2023, only UGX. 488,608,855 was spent giving rise to unspent balances amounting to UGX. 491,391,145. • Out of 50 approved positions, 23 positions were filled leaving a gap of 27 vacant positions. • The Ministry failed to submit monthly reports on procurements and disposals to PPDA as required by the law. • The Ministry failed to undertake eight (8) procurements worth UGX. 1,002,044,687 on the e-procurement system (E-GP)
Ministry of Lands, Housing & Urban Development	Natural Resources, Environment, Climate Change, Land and Water Sustainable Urbanisation and Housing	Unqualified	I noted the following: • Out of the budget of UGX. 303,674,445,398, only UGX. 282,106,368,536 was warranted resulting in a shortfall of UGX 21,568,076,862 (8%). • Twenty-one (21) activities were fully implemented, twenty-four (24) activities were partially implemented, while thirty (30) activities remained unimplemented. • Out of 526 staff on February 2023 main salary payroll, 485 staff (92%) were fully verified, 28 staff (6%) partially verified, while 13 (2%) staff were not verified. • Out of 274 staff on February 2023 contract salary payroll, 258 staff (94%) were fully verified, 10 staff (4%) partially verified and 6 staff (2%) were not verified. • The Ministry lacks guidelines for land compensations process. • 141 divested properties were not valued although deposits amounting to UGX. 11,020,244,520 have already been made. As such, the basis of the payments made could not be ascertained.

Ministry of Local Government	Agro-Industrialization Development Plan Implementation Governance and Security Human Capital Development Legislation, Oversight and Representation Natural Resources, Environment, Climate Change, Land and Water Public Sector Transformation Regional Balanced Development Sustainable Urbanisation and Housing	Unqualified	I observed that: • The Ministry of Local Government collected UGX.4,760,687,200 against the budgeted NTR of UGX.170,000,000. • The entity had an approved budget of UGX.72.939Bn from the various programmes, out of which UGX.59.205Bn was warranted, resulting in a shortfall of UGX.13.734Bn, representing a performance of 92%.Out of the total warrants of UGX.59.205Bn availed to the entity during the year, UGX.50.119Bn was utilised, resulting in un-utilised warrants of UGX.9.086Bn representing 76% utilisation. • The budgets for all the eighteen (18) outputs assessed were not supported by individual activity costing and budgets worth UGX.29,386,956,279. • Implementation of E-LogRev had an approved budget of UGX.7Bn for financial years 2021/2022 and 2022/2023, out of which UGX.6.3Bn was warranted to rollout different sites across the country, resulting in a shortfall of UGX.0.7Bn for FYR 2022/2023. • Out of the 49 sites that had been enrolled on E-LogRev, 41 had fully embraced the system, and eight were partially utilising it. • All the 49 sites for which E-LogRev had been installed had no approved IT staff structure, and all sites inspected had challenges reconciling revenue since the E-LogRev system does not recognise the outstanding balance in case of partial payment by a taxpayer. • E-LogRev users had not been availed with sufficient gadgets such as; phones, laptops, printers, and point-of-sale machines, among others, which are useful in operating the revenue system. • All sites rolled on the E-LogRev system for revenue collection improvement were not integrated with IFMS to facilitate information sharing for decision-making. • MoLG allocated a start-up amount of UGX.50,000,000 to each beneficiary despite the differences in the requirements and size of the newly created administrative units. The ministry delayed disbursing UGX.826,332,000 to 17 local governments as start-up funds. • Out of an approved budget of UGX.19,000,000,000 for implementation of PDM activities, UGX.15,438,761,720 was released, resulting in a deficit of UGX.3,561,238,280, representing 19%. Out of the total receipts of UGX.15,438,761,720, the entity spent UGX. 15,239,900,698 (99%), resulting in unutilised funds of UGX.198,861,022 (1%). I further noted the following in regard to PDM; • The MoLG budget and work plans were not aligned with the action plan.

			• Two (2) of the four (4) required quarterly performance reports were prepared and submitted to the PDM Secretariat. • The profile of the master trainers of trainers did not include District Production Officers and District Community Officers. However, it included other cadres like Commercial Officers and Parish Chiefs who were outside the prescribed cadres. • The Ministry did not have baseline data for the Parish Development Model. • Out of 627 employees, 622 (100%) who appeared for the payroll validation exercise presented all the pre-requisite documents/information and were fully verified. 34 employees on the main payroll had inconsistencies in their names, dates of birth captured in the main payrolls and data captured by NIRA on the National Identity cards. I further noted the following in regards to the payroll audit; - Out of the UGX.65,776,911,110 budgeted and approved wage funds for the four financial years, only UGX.35,854,821,353 was spent, giving rise to unspent balances amounting to UGX.25,022,874,975. - Out of 524 approved positions, a total of 469 positions were filled, leaving a gap of 55 vacant positions. - Over–remittance of UGX.175,869,931 and under-remittance of UGX.244,530,548 of statutory deductions were made by the entity during the period. - Over–remittance of UGX.53,709,740 and under-remittance of UGX.81,781,936 of non-statutory deductions were made by the entity during the period. - UGX.167,389,200 was charged on the wrong account codes, contrary to the posting terms. - 63 staff were paid a total of UGX.561,061,869 off the IPPS and HCM systems. • The Ministry had accumulated domestic arrears worth UGX.22,458,091,390. • The Ministry had an approved budget for the financial year 2022/2023 worth. UGX.1,884,360,702 to clear arrears, yet UGX.24,523,393,168 was the arrears amount disclosed in the financial year 2021/2022; hence an under-budgeting of UGX.22,639,032,466. • A number of LGs have non-functional LED infrastructures, which has led to the Local Governments having poor analysis of the weaknesses and potentials of their local economies.
Ministry of Public Service (MoPS)	Public Sector Transformation	Unqualified	I noted that: • NTR of only UGX.117,237,677 was collected against UGX.700,000,000 that was budgeted to collect for the FYR 2022/2023, representing a 16.7% performance.

			• The entity had an approved budget of UGX.30.805Bn from the various programmes out of which UGX.25.914Bn was warranted resulting in a shortfall of UGX.4.891Bn representing a performance of 84.1%. • Out of the total warrants of UGX.25.941Bn availed to the entity during the year, UGX.24.99Bn was utilized resulting in un-utilized warrants of UGX.0.924Bn representing 96.4% utilization. • The budgets for all 19 outputs assessed were not supported by individual activity costing and budgets. • Three (3) outputs were fully implemented, 16 outputs were partially implemented while 24 activities remained unimplemented. • That out of the 19 zonal SUCs only one (1) regional/zonal SUC was launched and operationalised in Hoima District Local Government on 28th June 2023 representing a performance of only 5.2% of the target. • The land for the establishment of the SUCs was not titled and ownership was still contested between Posta Uganda, Uganda Telecom Ltd and Post Bank. • Out of the 14 MDAs that had promised to provide staff to set up the centre, only 8 honored their commitment. • Only 4 of the 14 participating MDAs signed a binding Memorandum of Understanding (MoUs) with the MOPS and Hoima DLG to collaborate on delivering their unique services at the SUC. • The centre lacked a sufficient operational budget to cater for operational costs to run the centre. • The centre handled a total of 1,039 which translates into an average of 259 clients per month. This is low compared to the expected monthly target. • A total of UGX.5.679Bn was released against the budgeted amount for RAPEX activities, representing 72.8% performance of the budget which affected implementation of planned activities. • The legal review that gives effect to the implementation of RAPEX was still ongoing. • Only 120 staff of Rural Electrification Agency were completely validated and absorbed into the new structure of the Ministry of Energy and Mineral Development, while the balance of 16,458 employees await validation. • The Ministry, in its compensation plan, determined 2,200 personnel to be laid off as a result of the RAPEX exercise. The Ministry correspondingly determined the total terminal benefits as UGX.74.033Bn however there was no budgetary provision for this. • Out of the 86 Ministries, only 11 (12.8%) Ministries had developed service delivery standards and submitted to MoPS. In addition, the service delivery standards

			submitted had not been approved and certified by National Planning Authority (NPA). • Four (4) districts of Mubende, Moroto, Katakwi, Kaberamaido had no health centre IVs. • 36 of the 38 health centres inspected were under staffed below the required standard. • 11 of the 38 health centres did not have the required number of beds for the patients as per the required standard. • All the 38 health centres inspected had insufficient or inadequate infrastructure. • Out of 256 employees, a total of 256 (100%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified • A total of 86 employees on the main payroll had inconsistencies in their names, and dates of birth captured in the main payrolls and data captured by NIRA on the National Identity cards. • Out of the UGX.30,299,562,974 budgeted and approved wage funds for the six financial years, only UGX.18,628,092,334 was spent giving rise to unspent balances amounting to UGX.8,877,628,270 • Out of 340 approved positions, a total of 257 positions were filled leaving a gap of 95 vacant positions. In addition,12 positions were over-filled. • The Ministry had accumulated domestic arrears worth UGX.2,316,002,920. • MoPS budgeted for UGX.55,798,030 for settlement of domestic arrears, although the domestic arrears payable by 30th June 2022 were totalling to UGX.1,936,837,211 hence under budgeting by UGX.1,881,039,181. • The Ministry had an outstanding property rates liability of UGX.79,587,301. • MoPS did not budget for the settlement of liabilities relating to court awards and compensations in the FYR 2022/2023, although the court awards and compensations payable by 30th June 2022 were totaling to UGX.1,036,969,700. • One (1) of the two (2) cases in which compensation had been granted, had taken more than five (5) years without settlement. • MoPS has not developed and does not maintain a comprehensive register or record of cases and as such the entity could not make submissions to MofPED and MoJCA as required.
Ministry of Tourism, Wildlife and	Tourism Development	Unqualified	I noted that; • The Ministry budgeted to collect UGX.4.56Bn of NTR. Out of this, UGX.4.56Bn (100%) was collected.

Antiquities (MoTWA)			• The entity had an approved budget of UGX.172.894Bn from one programme out of which UGX.88.5Bn was warranted resulting in a shortfall of UGX.88.4Bn (51.2%). • Out of the total warrants of UGX.88.5Bn availed to the entity during the year, UGX.85.4Bn was utilized, resulting in un-utilized warrants of UGX.3.1Bn representing 96.5% utilization. • Out of 178 employees on the Ministry of Tourism February 2023 salary payroll, a total of 164 (92.13%) were fully verified, 13 (7.3%) partially verified, and 1 (0.6%) did not show up. • Out of 20 short-term employees on the Ministry of Tourism February 2023 salary payroll, 17 (85%) were fully verified, while 3 (15%) did not show up. • A total of 23 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • Out of 319 approved positions, a total of 177 positions were filled leaving a gap of 142 vacant positions. • The Ministry had total payables of UGX.3.19Bn relating to contributions to International Organisations of which UGX.3.10Bn has been outstanding for over three financial years. • A total of 284 sites and monuments have been documented by the Ministry, but not yet gazetted as part of the national heritage.
Ministry of Water and Environment	Agro-industrialization Human Capital Development Natural Resources, Environment, Climate Change, Land and Water	Unqualified	I observed the following; • The Ministry collected NTR from non-exchange transactions amounting to UGX 1,568,904,200 but I could not ascertain the level of performance since the budgeted revenue amounts were not indicated. • The Ministry had an approved budget of UGX 533.9Bn out of which UGX 339.2Bn was warranted resulting in a shortfall of UGX 194.7Bn representing a 63.5% performance. • Out of the total warrants of UGX 339.2Bn availed to the entity during the year, UGX 337.2Bn was utilized resulting in un-utilized warrants of UGX 2Bn representing 99.4% utilization. • Out of seventeen (17) outputs that had been fully quantified with a total of one hundred thirty-three (133) activities worth UGX.149.5Bn and noted that one (1) output with one (1) activity and expenditure worth UGX.0.04Bn was fully implemented, sixteen (16) outputs with one hundred thirty-one (131) activities worth UGX 149.46Bn were partially implemented while twenty-six (26) activities remained unimplemented.

			• There were delays in implementation of contracts which affected service delivery to the intended beneficiaries in 9 sampled activities worth UGX 14.1Bn • Out of 419 employees who were on the Ministry of Water & Environment main payroll of February 2023, 408 (97%) appeared for the validation exercise and were validated, while eleven 11 (3%) staff did not appear for the headcount. • Of the 11, Six (6) were accounted for by the Accounting Officer as being away on study leave, three (3) had retired or transferred service, while Two (2) absconded from duty. • The entity had 1,168 employees on the short-term/temporary contract payroll of which 1,145 (98.03%) were verified, 1 (0.09%) partially verified and 22 (1.89%) were not verified. • Out of the UGX 107,709,574,047 approved wage funds for the four financial years, only UGX 55,599,362,725 was spent giving rise to unspent balances amounting to UGX 52,110,211,322 • Out of 699 approved positions, a total of 412 positions were filled leaving a gap of 287 vacant positions. • The Ministry did not have an approved establishment structure for contract staff • Payables increased from UGX. 93,048,428,850 in the FY2021/22 to UGX. UGX.146,225,767,477 in the financial year under review representing a 7.2%. • Out of UGX. 93,048,428,850 outstanding commitments for the year ended 30th June 2022 the Ministry had an approved budget of only UGX 16,136,032,726 (17%) for clearing domestic arrears leaving a balance of UGX. 76,912,396,125 (83%). • The Ministry had outstanding letter of credit amounting to UGX. 2,982,862,578 which have been outstanding for more than one year. • There was a delayed Government 15% counterpart funding contribution on a contract to supply solar powered water pumping system in specified rural sub-counties. • Out of the 1,641 PAPs assessed for compensation for the Kabuyanda dam and irrigation project at UGX 9,808,259,376 only 1,145 PAPs had been compensated a total amount of UGX 8,334,593,298 leaving 491 PAPs yet to be compensated. • Out of the 782 PAPs assessed for compensation for the Matanda dam and irrigation project at value of UGX 17,113,560,272 none had been compensated. • The Ministry planned to cancel the 20,000 land titles issued in wetlands to private developers across the country but only 660 had been cancelled. • The publication of the 5-year inventory of wetlands was last done 2016.

Ministry of Works and Transport (MoWT)	Integrated Transport Infrastructure and Services Sustainable Urbanisation and Housing	Unqualified	I observed the following; • MoWT budgeted to collect NTR of UGX.245.2Bn during the year. However, by the year end UGX.216.503Bn had been collected representing an 88% level of performance. • Out of the approved budget for GOU funding of UGX.963.6Bn, UGX.832.8Bn was warranted resulting in a shortfall of UGX.130.8Bn representing 86.4% performance. • Out of the total warrants of UGX.832.8Bn availed to the Ministry during the year, UGX.655.2bn was utilized resulting in un-utilized warrants of UGX.177.6Bn representing 79% utilization. • Out of sixteen (16) outputs with a total of one hundred and five activities (105) activities worth UGX.411Bn: Three (03) outputs with thirteen (13) activities and expenditure worth UGX.35.13Bn were fully implemented, Thirteen (13) outputs with ninety two (92) activities worth UGX.375.967Bn were partially implemented and Twenty one (21) activities remained unimplemented in addition budgets for all the sixteen (16) outputs assessed for MoWT were not supported by individual activity costing and budgets. • Funds totalling UGX.260,107,450 were irregularly diverted from the activities for which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • There was delayed completion of; Construction of a Ferry Landing Site at Gerenge in Katabi Town Council, Civil Works for Upgrading of Shimon Roads (3.178km) and Civil Works for the upgrading of Kiwogoloma-Kitukutwe-Kijabijjo road (4.5km) and Bulindo-Nsansa-Namugongo road (4.56km), Ssezibwa (Bulandi –Gyira) Swamp Crossing Between Kayunga and Nakasogola Districts as well as civil Works for Upgrading of Kafunta-Buwampa Road (9.5KM). • The entity had 764 employees on the short-term/temporary contract payroll of which 488 (63.8%) were complete verified, 230 (30.1%) partially verified, 28 (3.6%) not verified and 18 (2.4%) staff did not appear for the headcount.

			• The Ministry maintains separate payrolls for permanent/mainstream staff and for contract/short-term staff with monthly salaries of UGX.1,352,733,061 and UGX.1,326,526,947 respectively. This practice can lead to abuse and complicates wage estimation and management. • Five (5) employees on the payroll of the entity were also on other Government payrolls and had drawn total salaries of UGX.72,485,500 for the period under review. • A total of 44 employees on the HCMS payroll had inconsistencies in their names, NINs, gender and dates of birth, captured in the payroll and data captured by NIRA on the National IDs while 178 short term employees also had similar inconsistencies. • Nineteen (19) staff were paid UGX.861,777,260 using different scales other than those provided in the circulars from the MoPS. In addition, 265 staff were paid without consideration of their scales and notches based on the duration of service leading to overpayments of UGX.14,199,790 and underpayments of UGX.18,599,666. • A comparison of the IPPS payroll register and IFMS payment file revealed that 132 staff were paid a total of UGX.2,808,398,909 off the IPPS payroll. • Additional lump sum transfers of wages and salaries amounting to UGX.9,376,566,707 were made to various commercial banks belonging to regional offices other than transferring salary payments directly to individuals bank account contrary to the Straight-through payment system prescribed by Accountant General. • There was under-remittance of statutory deductions and non-statutory deductions amounting to UGX.2,893,139,512 and UGX.122,467,164 respectively. • Out of 698 approved positions ((including the establishment for Soroti Flying school), a total of 520 positions were filled as at 30th April, 2023 leaving a gap of 178 vacant positions as per the establishment. I further noted that 2 staff were recruited for positions not approved in the Ministry’s structure.

			• A comparison of the entity-approved salary estimates of UGX.17,598,975,096 with the recomputed payroll costs of UGX.17,201,932,376 revealed that the Accounting Officer overestimated the wage cost by UGX.397,042,720. • The entity charged the wrong expenditure code (211102- Contract staff salaries) to the tune of UGX.233,820,430 to cover employee costs for General staff (211101- General Staff Salary). • The Ministry had neither confirmed nor dismissed 19 employees who had served the mandatory probationary period of 6 months. • Out of the total of UGX.215.165 Bn received for implementation of PDM activities, UGX.215.074 Bn was spent (99.95%) by the Ministry resulting in under absorption of the released funds of UGX.0.091Bn (0.05%). • A comparison of the PDM Working Group activity implementation action plan with the Ministry budget and work plan revealed that the Ministry budget and work plan activities were not adequately quantified to permit comparison with the action plan in the Pillar 2-Infrastructure and Economic Services Operation Manual. • The Ministry as the chair of the PDM Pillar 2-Infrastructure and Economic Services working group, did not ensure that; pillar working group quarterly performance reports are prepared and submitted to the secretariat as well as development and submission to the pillar working group the formulas for calculation of the Parish Vulnerability Index for approval. • I noted that much as PDM road interventions had been planned and implemented in the districts there was no evidence of involvement of the LGs. • The purchase of the Road Construction equipment (Motor Graders, Wheel Loaders, Dump Trucks and Water Bowser Trucks for Sixteen (16) to support the implementation of the PDM programme in new Districts has not been delivered even after the contracted delivery dates. • The Ministry had long outstanding payables amounting to UGX.215,492,177,812.

			• Out of the 403 ministry's pieces of land, 7 (1.7%) pieces had titles, 130 (32.2%) of land were surveyed but had no titles while 266 (66%) pieces of land were not surveyed. • For the year under review, the Republic of Uganda contributed UGX.66,227,731,147 for Democratic Republic of Congo Roads bringing its total contribution for Civil Works to USD 50,974,300 out of the total expected contribution of USD 101,948,600. However, I established that despite making 50% of its contribution, the contractor had only accomplished 17% of the works funded by the Government of Uganda. • I reviewed the implementation of the Kabalega International Airport project and noted that funds to the tune of EUR. 254,785,794.38 being paid to the main contractor SBC (Uganda) Ltd and UGX. 4,501,110,335 and USD. 2,385,650.95 to the supervising consultant. However, the works had not yet been completed due to funding shortfall. MoWT had requested MOFPED for an additional UGX. 206Bn so as to make the airport operational. • The East African Civil Aviation Academy (EACAA) does not have land titles for the land. This has led to the encroachment of the land with some encroachers securing land titles for the land. • Uganda Land Commission allocated houses of East African Civil Aviation Academy (EACAA) to individuals despite numerous ministerial objections to the sale of EAC property. • The Ministry released UGX.26Bn to Standard Gauge Railway (SGR) for compensation for the project Affected Persons (PAPs). However, SGR utilized 20,492,045,895 (78.8%) of the funds, leaving UGX.5,507,954,105 (21.2%) unutilized. • Over a period of seven (7) years, SGR has acquired land in seven (7) districts of Tororo, Butaleja, Namutumba, Iganga, Luuka, Mayuge and Buikwe at a cost of UGX.134,706,628,578 as at 09/11/2023. However, titles for land worth UGX.13,321,150,657 have not yet been secured by the project. • Delayed project implementation of Standard Gauge (SGR) Railway project.

			• From the review of the Standard Gauge Railway Project status of land acquisition and the final assessment reports, I noted that as at 13th October 2023; 2,200 PAPs worth UGX.159,649,885,792 who were assessed in the period 2016 to 2018 were still unpaid. • A review of PAPs master list as at 9th November, 2023 revealed that SGR has not compensated PAPs located along the railway line route in Mukono Industrial area because the PAPs have requested that the initial route be re-aligned or that SGR compensates them for the full factory spaces and not just the area affected by the railway route. • A number of road maintenance equipment from different Local Governments and the Zonal office had been grounded in the workshop yards for an average of 167 days without the necessary repairs to restore the equipment to functional use. • 12 planned procurements worth UGX.37,955,632,272 that were initiated on EGP system were not executed. • I assessment the Implementation of Public Financial Management (PFM) System in the Ministry of Works and Transport (WoWT). On the basis of the methodology and assessment criteria used, the average overall PFM performance by Ministry of Works and Transport during the financial year 2022/23 was 3.0 (fairly satisfactory performance) against a target of 4.0.
Moroto Regional Referral Hospital	Human Capital Development	Unqualified	I noted the following; • The Hospital received UGX. 11.647Bn (92%) out of approved budget of UGX.12.631Bn, resulting in a shortfall of UGX.0.984Bn. This affected activity implementation. • The Hospital utilized UGX.11.607Bn (99.99%) out of availed warrants of UGX. 11.647Bn, resulting in unutilized funds of UGX.0.040Bn • Moroto RRH had 282 employees on the IPPS payroll of which 224 (79%) were fully verified, 10 (4%) partially verified, 11 (4%) not verified, and 37 (13%) did not show up due to reason of exit from the hospital resulting from retirement, abscondment, retirement, transfer of service and death. • A total of 24 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs

			• Total of UGX. 0.025Bn was paid to 13 staff who had been retired, either transferred, absconded or died. These resulted into financial loss to government. • Out of 368 approved positions, a total of 260 positions were filled leaving a gap of 132 vacant positions. In addition, 24 positions were over-filled. I further noted that 24 positions were over-filled. • Inadequate of non-delivery of requested essential medicines by NMS to the hospital in various instances. • The Hospital experienced drug stock outs resulting into lack of several essential, vital and necessary drugs.
Mountains of the Moon University (MMU)	Human Capital Development	Unqualified	I observed that: • The University had outstanding payables relating to pending payments to part time lecturers of UGX.721,795,000. • The entity had a budget of UGX.45.9Bn out of which UGX.44.08Bn was warranted resulting in a shortfall of UGX.1.82Bn representing 96% performance. • Out of the budgeted NTR of UGX 3.90Bn for the year, only UGX 3.79Bn was collected representing a 97.18% performance • Out of the total warrants of UGX.44.08Bn availed to the entity during the year, UGX.38.3Bn was utilized resulting in un-utilized warrants of UGX.5.78Bn representing 86.89% utilization. • A total of 18 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA. • Out of 530 approved positions, a total of 262 (49%) positions were filled leaving a gap of 268 vacant positions. • Mountains of the Moon University did not have a fully constituted Council. • Mountains of the Moon University did not have a Risk Management Policy. Mubende Regional Referral Hospital Mubende Regional Referral Hospital Mubende Regional Referral Hospital
Mulago National Referral Hospital (MNRH)	Human Capital Development	Unqualified	I noted that: • Out of 1,368 employees who were on the main payroll of February 2023, a total of 1,335 (98%) appeared for the validation exercise and presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • A total of 33 staff on the entity payroll for the month of February 2023 did not appear for the headcount.

			• A total of 28 individuals whose names were not on the entity's February 2023 payroll appeared for the validation exercise with all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • Four hundred fifty-one (451) employees on the payroll had inconsistencies in their names, NINs and dates of birth, captured in the payroll and data captured by NIRA on their National IDs. • Comparison of the payrolls and the IFMS payments system revealed that there were salary overpayments totaling to UGX.242,370,808 and salary underpayments totaling to UGX.927,553,687 during the four-year audit period. • Out of 2,036 approved positions in the Hospital Structure, a total of 1,117 positions were filled leaving a gap of 919 vacant positions. • The hospital charged the wrong expenditure codes to the tune of UGX.487,547,707 to cover employee costs for contract staff during financial years 2020/2021 and 2021/2022. • Out of the approved NTR estimates of UGX.3.87Bn that was budgeted to be collected by the Hospital during the year, UGX.5.54Bn was collected representing a 143% performance. This was attributed to acquisition of new specialized services that were previously not available such as organ transplant that increased revenue for the Hospital. • Out of the revised approved budget of UGX.109.26Bn from the Human Capital Development Programme, a total of UGX.106.40Bn was warranted resulting in a shortfall of UGX.2.86Bn representing a 97% performance. • Out of the total warrants of UGX.106.40Bn availed to the entity during the year, UGX.103.57Bn was utilized resulting in un-utilized warrants of UGX.2.83Bn representing 97% utilization. • Funds to the tune of UGX. 0.427Bn were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • The Hospital had a credit line worth UGX.8,866,755,612 at NMS for the year 2022/23. However, the hospital consumed supplies worth UGX.9,201,504,539 resulting into an excess consumption of supplies worth UGX.334,748,927. • The required budget for maintenance of equipment was UGX.13.742bn and the available budget was UGX.4.933Bn thereby creating a deficit of UGX.8.809Bn. • The hospital signed a contract for construction of 150 units of staff houses at a contract price of UGX.30,288,600,856 on 20th June 2020 with the expected completion date of 20th June 2023. However, cumulative works worth UGX.8,644,359,178 had been certified by 06/06/2023 almost at the expiry of the contract period representing 28.5% performance

Mulago Specialized Women and Neonatal Hospital	Human Capital Development	Unqualified	I observed that: • The Women's Specialized Hospital budgeted to collect revenue amounting to UGX.9Bn during the year. However, by the end of the year only UGX.6.990Bn had been collected representing a 77.7% level of performance. • Out of the total warrants of UGX.31.99Bn availed to the Women's Specialized Hospital during the year, UGX.29.96Bn was utilized resulting in un-utilized warrants of UGX2.024Bn representing 93.6% utilization. • Out of 398 employees who were on the main payroll of February 2023, 386 (97%) appeared for the validation exercise and presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment and were fully verified. • 8 individuals whose names were not on the hospital's February 2023 payroll appeared for the validation exercise with all the pre-requisite documents/information to confirm their existence and regularity of recruitment and were fully verified. • All the 28 employees on the contract payroll appeared for the validation exercise and presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • Ninety seven (97) employees on the payroll had inconsistencies in their names and dates of birth from those captured in their National IDs. • The Women's Specialized Hospital had a staffing gap of 528 positions as per the updated establishment of April 2023. • The Dialysis Machine remained idle due to incomplete modification of the building and lack of staff to operate it. • The Hospital over-utilized its essential medicines and health supplies budget at NMS by UGX.111,370,877. • Contract managers did not prepare contract management plans for contracts worth UGX.1,332,094,484 for procurements made during the year. • The Hospital did not enforce submission of performance securities for procurements worth UGX.497,265,890 made during the year.
MULTI-MORBIDITY IN UGANDA RESEARCH CAPACITY INITIATIVE	Human Capital Development	Unqualified	• There were no reportable issues.

(MURCI) PROJECT OF MBARARA UNIVERSITY OF SCIENCE and TECHNOLOGY (MUST)			
Multinational Edward and Albert Integrated Fisheries and Water Resources Management (LEAF II) Project Implemented By Ministry of Water And Environment	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of the budgeted GOU funding of a sum of 20.05Bn, only UGX.0.69Bn was realised representing (3.4%). • Out of five (5) outputs with eleven (11) activities worth UGX.14.243Bn, targets for six (6) activities had been fully achieved while the remaining five (5) activities budgeted at UGX.6.21Bn were yet to be fully achieved. • Out of the approved budgeted donor funding of UGX.4.2Bn, UGX 3.7Bn a sum of was realised representing performance of 88% of the target. The project absorbed 100% of the total available funds for spending. • I assessed service delivery for two activities namely, construction of a surveillance station and supply of a research vessel and noted that they were delayed by up to 15months and 24 months respectively.
Multinational Lake Victoria Maritime Communications and Transport Project (MLVMCT)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	I observed that: • Out of the total expected cumulative disbursements of donor funds of USD 14,353,800, only USD 5,229,791 (36%) has been released leading undisbursed funds of USD 9,124,008 (64%) with one year left before project closure. • As a result of the un-disbursed donor funds, Government has accumulated commitment fees of USD 45,620. • As at 30th June 2023, the GoU had cumulatively contributed USD 1,599,697 out of the expected counterpart funding of USD 2,270,000 leading to a shortfall of USD 670,302 representing a contribution of 70.47% by GoU. • Out of UGX.27,999,051,640 for the financial year 2022/2023, UGX.11,493,825,345 was availed for spending in the year resulting in a shortfall of UGX.16,505,226,295 representing 41.1% performance.
Muni University	Human Capital Development	Unqualified	I observed that:

			• The entity had an approved budget of UGX 25.94Bn from the various programmes out of which UGX 24.73Bn was warranted, resulting in a shortfall of UGX 1.21Bn representing a 95% performance. • The University budgeted to collect Non Tax Revenue (NTR) of UGX 1.18Bn during the year; however, by year end only UGX 1.13Bn had been collected, representing 96% performance. • Out of the total warrants of UGX 24.73Bn availed to the University, UGX 24.55Bn was utilized, resulting in un-utilized warrants of UGX 0.18Bn, representing 99.3%. • The budgets for all eight (8) outputs assessed were not supported by individual activity costing and budgets. Of these, two (2) outputs with seven (7) activities with expenditure worth UGX 0.63Bn were fully implemented and Six (6) outputs with forty-six (46) activities worth UGX 3.9Bn were partially implemented. • Out of 235 employees on February 2023 salary payroll, 220 (94%) were fully verified while 15 (6%) did not show up. Eleven (11) individuals whose names were not on the payroll appeared for the validation exercise with all requisite documents. • Twenty one (21) employees on the main payroll had inconsistencies in dates of birth and 12 employees had inconsistencies in gender. • The University over and under remitted statutory deductions of UGX 104,785,057 and UGX 168,958,777 respectively in the four year period (2019/20-2022/23). • UGX 173,397,443 was irregularly paid from salary codes 211101 and 211102 to various accounts/beneficiaries for activities not related to salary payments. • The University had accumulated domestic arrears of UGX 926,557,007, increasing by UGX.85,793,661 from the previous year and yet only UGX 78,627,757 had been budgeted for settlement of domestic arrears during the year. • A review of the NTR register and receivables ageing schedule revealed that the University had long outstanding receivables for a period exceeding three years. • Two projects with a combined contract sum of UGX.9,423,542,836 had not been completed according to the planned completion dates. • The inspection of the buildings in the Capacity Building Centre revealed that all the buildings had structural problems requiring urgent renovation.
Mutundwe-Entebbe 132 KV Double Circuit Transmission Line Project	Energy Development	Unqualified	I observed that: • Despite a contract cost of EURO 94,190.36 and an extension to January 11, 2023, the RAP consultancy by M/s Survesis failed to complete key milestones, leading to project delays.

			• Seventy-nine (79) PAP land titles held by NewPlan Limited, the former RAP consultant, were yet to be retrieved by UETCL management by year end. • The titling process has encountered delays due to the expiration of contracts with NewPlan Limited and its successor M/s Survesis, as well as recent changes in the requirements mandated by the Land Information System. • Despite the compensation process starting in December 2015, by June 30th, 2022, only 905 (86%) out of 1,053 Project Affected Persons (PAPs) have been compensated, owing to land disputes, irregular titles, and missing documents. • The project is currently operating with expired Environment Impact Assessment (EIA) and Wetland User Permits which are overdue by 28 and 17 months, respectively.
Muyembe-Nakapiripiti Road project	Integrated Transport Infrastructure & Services	Unqualified	I observed that: • Out of the total project funds of UGX.472,058,880,000 the cumulative disbursements to date totalled to UGX.128,398,198,579 resulting into UGX.343,660,681,421 of project funds undisbursed. • Out of the budgeted Islamic Development Bank (IsDB) disbursements of UGX. 60,584,362,402 for the year 2022/23 a total of UGX.83,244,144,606 (137%) was disbursed resulting in an excess of UGX.22,659,782,204. The excess in receipts is attributed to improved performance in terms of civil works by the Contractor. All disbursed amounts have been absorbed. • The Project budgeted to receive GOU funding of UGX.490,059,652 out of which UGX.472,154,106 (96%) was received, resulting in a shortfall of UGX.17,905,546 (4%). All disbursed amounts have been absorbed. • Only 17.572Kms were constructed out of the planned 34.96Kms representing only 50% implementation status and only 3.913 acres were acquired out of the planned 12.7 acres representing only 31% implementation status. • The Cumulative physical progress as at 30th June 2023 was 31.24% against time progress of 73.6%. • There were three (3) exhausted borrow pits that had not yet been fully restored. • I noted that that, only five (5) land titles out of the 23 had been fully subdivided and returned. • I observed four (4) road sections (Km65 to Km92, Km7 to Km9, Km6+600 RHS and Km38+400 to Km38+600) still had pending land acquisition issues.

National Building Review Board (NBRB)	Infrastructures	Unqualified	I observed that: • The Board had an approved budget of UGX.21.6Bn from the various programmes out of which UGX.13.199Bn was warranted resulting in a shortfall of UGX.8.401Bn representing a 61% performance. • Out of the total funds of UGX.16.106Bn available for the entity during the year, UGX.11.225 Bn was utilized resulting in un-utilized warrants of UGX 4.881Bn representing 70% utilization. • Three budget outputs namely; Compliance with building development regulatory framework, NBRB development and sustainability, and Research and development totalling to 21.6Bn were supported by individual activity costing and budgets. The assessment of the implementation of three planned outputs with twenty-six (26) activities worth UGX.10.614Bn indicated that all were partially implemented. • The Board had 65 employees on their payroll who all appeared for the headcount. The employees were categorised into contract staff (47) and graduate trainees (18). All the 65 (100%) were fully verified. • Review of deductions in the Board's payrolls with the remittances/payments revealed an under remittance to NSSF of UGX.20,017,500 in the FY 2020/2021. • Out of 101 approved positions, a total of 47 positions (contract staff) were filled leaving a gap of 54 vacant positions. • A comparison of the entity-approved estimates of UGX.7,086,362,676 with the recomputed payroll costs of UGX.7,136,880,000 revealed that the Accounting Officer under estimated the wage cost by UGX.50,517,324. • The Board's human resource management system is not enrolled on the IPPS/HCM. • The Board signed a Project Development Agreement (PDA) with National Housing & Construction Company Limited (NHCC) for construction of the National Building Research and Materials Quality Assurance Centre for building control. However, I noted that; • An advance payment of UGX.1,928,970,252 was made on 4th October 2022 against an advance payment guarantee worth UGX.2,000,000,000 which expired on 30th August 2023. • Physical progress of work was at 24% against the planned 100%. • NBRB conducted an independent verification of work executed and noted that some section of concrete failed the strength test, the columns were off-grid but there was no evidence to show that the defected works were rectified as required. • NBRB Executive Secretary issued a termination notice of the contract. However, NHCC Ltd lodged a law suit against NBRB challenging the termination.

National Bureau for NGOs	National Bureau	Unqualified	I observed that: • NGO Bureau had an approved budget of UGX.4.4Bn, out of which UGX.2.314Bn was warranted, resulting in a shortfall of UGX.2.086Bn, representing a 53% performance • All of the UGX.2.314Bn availed to the NGO Bureau during the year was utilised, representing 100% • The budgets for four (4) outputs assessed were not supported by individual activity costing and budgets. • Out of the NGO Bureau's four (4) outputs that had been fully quantified with a total of 42 activities worth UGX.2.314Bn, One output with 16 activities and expenditure worth UGX.2.2bn was fully implemented, while three (3) outputs with 26 activities and expenditures worth 0.11bn were partially implemented. • The NGO Bureau had 19 employees on its payroll, all of whom (100%) were fully verified. • There was over–remittance of UGX.22.070Mn and under-remittance of UGX.246.38Mn of statutory deductions by the entity over a period of four years (2019/2020-2022/2023). • Out of 98 approved positions in the NGO's staff establishment, only 19 positions were filled, leaving a gap of 79 vacant positions. • The Bureau was not yet enrolled on the Human Capital Management (HCM) system by the Ministry of Public Service to enable the automated processing of their payrolls. • An analysis of the accumulation of domestic arrears over the last two years shows an increasing trend in arrears from UGX.0.882Bn in the financial year 2021/2022 to UGX.1.688Bn in the financial year 2022/2023, representing an increase of UGX.0.806Bn (62%) • About 75% of the Bureau's expenditure relates to rent, salaries, gratuity and other operating expenses that do not directly relate to the Bureau's core activities of registration and monitoring NGO's activities. • The Bureau did not have an updated registry or database of the NGOs in the country. The lack of an updated database makes monitoring and inspection of the NGOs in the country difficult, complicating enforcement of compliance with the NGO Act. • The Bureau does not have operational branch/district offices for monitoring NGO activities. This is because the District NGO Monitoring Committees are not functional due to lack of funds for their operations.

Naguru National Referral Hospital	Human Capital Development	Unqualified	• Out of UGX.360,000,000 NTR that was budgeted to be collected during the year, only UGX.232, 526,563 was collected leaving UGX.127,473,437 uncollected. • Out of the total warrants of UGX.12,368,492,650 availed to the Hospital during the year, UGX.11,798,057,783 was utilized representing a 95.4% utilization, with UGX. 570,434,867 unspent at year-end. • The CT scan broke down during the year thus CT Scan services could not be carried out which significantly affected implementation of several planned outputs. • UGX. 90,783,071 was diverted from the activities on which they were budgeted and spent on other activities. • 286 (98.6%) employees out of the 290 employees who were on the main payroll of February 2023 appeared for the validation exercise and presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • Four (4) staff on the entity payroll for the month of February 2023 did not appear for the headcount as 3 had abandoned work while 1 was transferred to Mbale Regional Referral Hospital. • Two (2) individuals whose names were not on the entity's February 2023 payroll appeared for the validation exercise with all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • Fifteen (15) employees on the payroll had inconsistencies in their names and dates of birth from those captured in their National IDs. • Fifty seven (57) positions were vacant (staffing gaps). • The Hospital reported liabilities of UGX.1,696,407,493 in the financial statement, out of which UGX.1,201,684,604 relates to prior years. • Medical supplies valued at UGX.213,821,390 were not delivered by NMS during the year. • The Hospital lacks an ambulance as all the three hospital ambulances were grounded and due for disposal.
National Agricultural Advisory Services (NAADS)	Agro-industrialization	Unqualified	• NAADS budgeted to collect UGX.0.06Bn during the financial year however, by the end of the year UGX.0.200Bn had been collected representing a performance of 333%. The stated level of collection of NTR at vote level may be an indication that the NTR targets were set low compared to the entity's revenue potential. • Out of the approved budget of UGX.58.92Bn, UGX.45.25Bn was warranted resulting in a shortfall of UGX.13.67Bn representing a 77% performance. Out of the total warrants of UGX.45.25Bn, UGX.45.08Bn was utilized resulting in un-utilized warrants of UGX.0.17Bn representing 99.6% utilization

			• I assessed the implementation of six (6) outputs that had been fully quantified with a total of 95 activities worth UGX.45.1Bn and noted that; two (2) outputs with 57 activities and expenditure worth UGX.8.3Bn were fully implemented while four (4) outputs with 43 activities worth UGX.36.8Bn were partially implemented. Out of the 43 activities, the entity fully implemented 34 activities; five (5) activities were partially implemented, while four (4) activities remained unimplemented. • I reviewed the procurement and distribution of Value addition facilities by NAADs and noted several shortcomings which included; Supply of maize mills to ineligible beneficiaries, non-delivery of maize milling equipment, non-adherence to specifications for the maize mill contract, incomplete installations of maize mills, non-adherence to the selection criteria for tractor beneficiaries, delayed completion of a market construction, irregular change of specifications, undelivered solar water pumping system, faulty solar water pumping systems, non-utilization of milk coolers, failure to provide post installation support by suppliers, unpreparedness to receive/install milk coolers, contracts executed without performance securities, lack of memoranda of understanding (MOUs) with beneficiaries. All these affected service deliveries and the achievement of the intended objectives. • All the 49 (100%) employees of the Authority appeared for validation and presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment and were fully verified. • I noted other shortcomings in the payroll for example; 48 out of 56 staff positions were filled leaving a gap of 8 positions, lack of approved staff establishment and salary structure, disparities in salary payments to three (3) individuals, inconsistencies in employee details for two (2) employees, a consistent under absorption of the warranted wage for a period of four years and failure to enroll the entity on IPPS/ HCM. • The entity had unsettled domestic arrears as at 30th June 2023 amounting to UGX.3.2Bn. In addition, the entity had Letters of Credit worth UGX.19.49Bn which did not perform for more than two years. • I noted challenges in the performance of Atiak sugarcane production project in Northern Uganda due to a number of challenges such as non-performing letters of credit (LCs) in favour of the project amounting to UGX.14.69Bn which would have to be returned to the Consolidated Fund. • I noted that NAADS had a 30% oil seed recovery fund which under-performed by UGX.2.142Bn. The entity only recovered UGX.0.159Bn for the fund out of the expected UGX.2.301Bn. • The entity had five (5) projects that cost Government UGX. 12.065Bn and had been completed but were not operational.

			• I noted that the term for the NAADS Board of Directors expired in June 2020 and the Agency still had no Board in place to perform the oversight and governance responsibilities. • NAADS advanced funds amounting to UGX.1.136Bn in the financial year 2020-2021 to five (5) contractors so as to enable them perform their contracts. However, two (2) years later, the contracts had not performed and the advance payment guarantees expired.
National Agricultural Research Organization (NARO)	Agro-industrialization Innovation, Technology Development and Transfer Programme Regional Development Programme	Unqualified	• The entity budgeted to collect UGX.5.84Bn during the year. However, by the end of the year only UGX.2.27Bn had been collected representing a 39% performance. • The Organisation had an approved budget of UGX.117,927,115, out of which UGX.111,136,596,352 was warranted resulting in a shortfall of UGX.6,790,519,404 representing a 94% performance which affected the implementation of some activities. • I assessed implementation of five (5) outputs that had been fully quantified with a total of 33 activities worth UGX.54.46Bn and noted that the outputs were partially implemented. • Out of the 33 activities, the entity fully implemented 15 activities; 16 activities were partially implemented, while two (02) activities remained unimplemented. • Ten (10) contracts worth UGX.25,607,358,189 failed to perform within the contractual timelines and requests were made for extensions • Funds worth UGX.8.77Bn were repurposed to the food and animal feed security intervention. • There were indictors of inadequate preparedness by NARO to implement such a critical intervention. • I reviewed the NARO work plan and noted that the entity failed to achieve the cabinet target by adjusting the initial target from 10,000 acres to 7,513 acres. • Out of the planted acreage of 2,776.6 acres, the entity had projected to produce 1,917 tons of yield of maize, sorghum, beans and soya bean seeds. However, according to the end of season reports, the entity produced only 712.3 tons (37%). • NARO outsourced the supply of seeds to private providers contrary to the cabinet paper that required the entity to plant the seeds by themselves. • Out of 812 employees on NARO February 2023 salary payroll, a total of 791 (97%) were fully verified and 21 (3%) were not verified. • A total of 307 employees on the payroll had inconsistencies in their names, NINs, gender, titles and dates of birth, captured in the payroll and data captured by NIRA on the National IDs.

			• Out of 995 approved positions, a total of 812 positions were filled leaving a gap of 183 vacant positions. • The entity was not enrolled on the IPPS/HCM. • The entity had outstanding domestic arrears of UGX.2,173,584,051 representing a 15.6% reduction from the previous financial year UGX.2,577,323,874. • The entity had 10 cases where land located in various locations in the country was in the possession of NARO was never been surveyed. • Nine (9) pieces of land owned by NARO and measuring approximately 1,288 Hectares were not yet titled. • Seven (7) pieces of land located in various Institutes had been encroached on by both private and public entities. • Research land on Block 537 with acreage of 18.2ha was advertised for sale.
National Animal Genetic Resource Centre and Data Bank (NAGRC&DB)	Agro-industrialization	Unqualified	I noted that: • NAGRC & DB had an approved budget of UGX.93.22Bn from the agro industrialization programme that was all warranted representing a 100% performance. • The entity budgeted to collect NTR of UGX.1.64Bn but realized UGX.1.72Bn representing a 104% performance. • One (1) budget output was not supported with individual activity costing and budget. • The two (2) outputs that had been fully quantified with a total of 157 activities worth UGX.37.55Bn were partially implemented. Out of 157 activities, Management fully implemented 38 activities; 23 activities were partially implemented, while 96 activities remained unimplemented. • UGX. 50.0Bn was repurposed from initially planned activities to food and feed security intervention and hence a big number of unimplemented activities. • There were indictors of inadequate preparedness by the entities to implement the food and feed security intervention such as lack of evaluation for alternatives, irrigation plans, inadequate consultations and coordination. • NAGRC & DB adjusted the initial target from 30,000 acres to 17,320 acres and adjusted the cost upwards resulting in a variance of 12,680 acres. • That out of the 13,071 acres that were opened, only 10,310 acres were planted. This resulted into a variance of 2,761 unplanted acres (21%). • Out of the planted acreage of 10,310 acres, the entity had projected to produce 61,681 tons of yield of corn silage, maize grain and soya bean. However, the entity produced 61,147 tons.

			• 22 activities that were planned for implementation under construction management output with a budget of UGX.23.99Bn at various ranches did not commence. • There were partially implemented activities at Lusenke and delay in the installation of the hatchery equipment at Wakiso. • Out of the outstanding funds i.e UGX.7.9Bn held in letters of credit to a tune of UGX.3.69Bn related to 08 contracts that had been abandoned, 18 finalized with balances during the year 2022/2023. • The milking parlour was pre- commissioned and still nonfunctional because of lack of standby generator, extension power, Water heating system and milking cooler. I also noted that the construction of the farm manager, senior manager and staff houses had delayed and some stalled. • Out of 554 employees on NAGRC &DB February 2023 salary payroll, a total of 492 (86%) were fully verified and 62 (11%) partially verified because documents were still held with Anti-corruption unit. Further, a total of 16 individuals whose names were not on the payroll because of lack of supplier numbers appeared for the validation exercise with all pre-requisite documents. • A comparison of the budget figures and the actual payments in respect of the payroll expenditures revealed a consistent under absorption. • Out of 316 approved positions, a total of 570 positions were filled leading to an excess of 272 positions in 3 departments while 18 positions in 6 departments were vacant. • The Agency had failed to enroll the entity on IPPS/HCM which undermines the rationalization of the HCM investment, accountability, transparency and improved service delivery achieved through the automation of human resource processes. • 50 graduate trainees were irregularly recruited since the position of graduate trainees is not provided for in the approved staff structure. • An increase in accumulation of domestic arrears up to UGX.1.64Bn representing a 31% growth from the previous financial year of UGX.1.25Bn. • The agency was engrossed in four (4) court cases with individuals that could lead to possible loss of funds. • 12 out of 16 pieces of land measuring approximately 13,525 hectares the entity held did not have land titles. • Out of the 16 pieces of land (136,513 hectares) held, 5 pieces measuring approximately 43,495.4 hectares had encumbrances in the form of encroachment by the local population.

National Building Review Board (NBRB)	Infrastructure	Unqualified	• The Board had an approved budget of UGX.21.6Bn from the various programmes out of which UGX.13.199Bn was warranted resulting in a shortfall of UGX.8.401Bn representing a 61% performance. • Out of the total funds of UGX.16.106Bn available for the entity during the year, UGX.11.225 Bn was utilized resulting in un-utilized warrants of UGX 4.881Bn representing 70% utilization. • Three budget outputs namely; Compliance with building development regulatory framework, NBRB development and sustainability, and Research and development totalling to 21.6Bn were supported by individual activity costing and budgets. The assessment of the implementation of three planned outputs with twenty-six (26) activities worth UGX.10.614Bn indicated that all were partially implemented. • The Board had 65 employees on their payroll who all appeared for the headcount. The employees were categorised into contract staff (47) and graduate trainees (18). All the 65 (100%) were fully verified. • Review of deductions in the Board's payrolls with the remittances/payments revealed an under remittance to NSSF of UGX.20,017,500 in the FY 2020/2021. • Out of 101 approved positions, a total of 47 positions (contract staff) were filled leaving a gap of 54 vacant positions. • A comparison of the entity-approved estimates of UGX.7,086,362,676 with the recomputed payroll costs of UGX.7,136,880,000 revealed that the Accounting Officer underestimated the wage cost by UGX.50,517,324. • The Board’s human resource management system is not enrolled on the IPPS/HCM. • The Board signed a Project Development Agreement (PDA) with National Housing & Construction Company Limited (NHCC) for construction of the National Building Research and Materials Quality Assurance Centre for building control. However, I noted that; • An advance payment of UGX.1,928,970,252 was made on 4th October 2022 against an advance payment guarantee worth UGX.2,000,000,000 which expired on 30th August 2023. • Physical progress of work was at 24% against the planned 100%. • NBRB conducted an independent verification of work executed and noted that some section of concrete failed the strength test, the columns were off-grid but there was no evidence to show that the defected works were rectified as required. • NBRB Executive Secretary issued a termination notice of the contract. However, NHCC Ltd lodged a law suit against NBRB challenging the termination.

National Children Authority	Human Capital Development	Unqualified	• The entity had a revised budgeted of UGX 818,624,500 in the year under review, which was all availed for spending on the planned activities. • Assessment of implementation of planned outputs revealed that only two (2) outputs with one (1) activity worth UGX 0.250Bn was fully implemented, two (2) outputs with one (1) activity worth UGX 0.053Bn was partially implemented while one (1) output with twelve (12) activites worth UGX 0.289 Bn was not implemented at all. • The National Children Authority does not have an approved staff establishment and salary structure, making it hard to ascertain the staff strength of the Authority. • The Authority does not carry out some of major functions as stipulated in the Children Act 2016, viz preparing a national data base on children, monitoring religious and charitable institutions which provide child care services among others. • The Authority neither utilized the services of internal audit of the Ministry of Gender, Labour and Social Development nor planned to recruit an internal audit. The Authority did not prepare and submit monthly procurement reports for the period under review as required.
National Citizenship and Immigration Control (NCIC)	Governance and security		•
National Council for Higher Education (NCHE)	Human Capital Development	Unqualified	• Out of the NTR budget of UGX 4.78Bn, by the end of the year only UGX 3.76Bn had been collected representing a 78.7% performance. • The entity had an approved budget of UGX. 19.8Bn from the various programs out of which UGX 15.3Bn was warranted resulting in a shortfall of UGX.4.5Bn representing a 77.3% performance. • Out of the total warrants of UGX.15.32Bn availed to the entity during the year, UGX.14.99Bn was utilized resulting in un-utilized warrants of UGX 0.33Bn representing 97.3% utilization • A total of nine (9) employees on the main Council payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA. • Out of 125 approved positions, a total of 56 positions were filled leaving a gap of 69 vacant positions.

			• The Council had a wage requirement of UGX.11,875,602,178 but only received UGX. 10,657,969,311 resulting into a shortfall of UGX.1,217,632,867 • It was noted that three universities namely; King Caesar University, Team University and Great Lakes Regional University were non-compliant with the various minimum standards and recommendations made by the monitoring and inspection teams • NCHE received 1,118 accreditation requests, and assessed 1010 programs, out of these, the Council was able to accredit only 467. • 25 universities' provisional licenses were not assessed for progression to charter status, after 3 years of holding provisional licenses. • Licenses for 7 tertiary institutions were not assessed for progression of certificate of classification and registration. • One (1) University whose license was revoked continues to operate contrary to the regulations.
National Council for Older Persons (NCOP)	Human Capital Development	Unqualified	• Out of a budget of UGX.2.408Bn, only UGX.2.190Bn was realized resulting in a shortfall of UGX 0.218Bn (10%) hence affecting the implementation of some planned activities. • Four (4) outputs with four (4) activities worth UGX. 0.652Bn were fully implemented. • Eight (8) outputs with thirty-three (33) activities worth UGX 1.454Bn were partially implemented. • Ten (10) activities remained un-implemented.
National Council for Persons with Disabilities (NCPD)	Human Capital Development	Qualified	• Out of UGX 1.048Bn budgeted, only UGX. 0.977Bn (84%) was received; balance of UGX 0.071Bn (7%) not received. • Four (4) outputs with eleven (11) activities worth UGX.0.154Bn were fully implemented. • Five (5) outputs with eighteen (18) activities worth UGX.805Bn were partially implemented. • One (1) output with two (2) activities were not funded. • Council had outstanding payables of UGX 743,360,000 which poses a risk of loss of funds due to possible litigation, fines and penalties. • Council undertook direct procurements of goods and services worth UGX. 110,696,782 • The National Council For People with Disabilities Charter has not been approved.

National Council of Sports (NCS)	Human Capital Development	Unqualified	• The Entity had outstanding invoices of UGX 114,661,375 that have remained uncleared for over a year. • NCS had a budget of UGX.47.81Bn out of which UGX.47.81Bn was warranted representing 100% performance. • Out of the budgeted NTR of UGX 0.781Bn during the year, UGX 1.05Bn was collected representing a 135% performance. • Out of the total warrants of UGX.47.81Bn availed to the entity during the year, UGX.47.5Bn was utilized resulting in un-utilized warrants of UGX.0.3Bn representing 99% utilization. • A total of 18 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main payroll compared to data captured by NIRA. • Out of 67 approved positions, a total of 59 positions were filled leaving a gap of 8 vacant positions. • I noted that the entity is not enrolled on the IPPS/HCM
National Curriculum Development Centre (NCDC)	Human Capital Development	Unqualified	• Out of the budgeted NTR of GX 0.1Bn for year, UGX 0.115Bn was collected representing a 115% performance. • Out of the entity approved budget of UGX.28.125Bn, only UGX.27.41Bn was warranted resulting in a shortfall of UGX.0.72Bn representing a 97.5% performance • Out of the total warrants of UGX.27.41Bn availed to the entity during the year, UGX.27.31Bn was utilized resulting in un-utilized warrants of UGX 0.1Bn representing 99.6% utilization. • A total of 41 employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA. • Under-remittance of UGX.0.12Mn of statutory deductions were made by the entity during the period. • Out of 236 approved positions, a total of 121 positions were filled leaving a gap of 115 vacant positions. • The Centre had outstanding receivables of UGX.392,497,559 which date as far back as 2003.
National Drug Authority (NDA)	Human Capital Development	Unqualified	• The Authority budgeted to collect UGX.79,049,743,376 during the year. By the end of the year UGX.82,288,563,142 had been realized (representing a 104% performance).

			• NDA had a total expenditure budget of UGX.128.5bn (UGX.78.7Bn recurrent and UGX.49.85 Bn capital). However, UGX.84.29Bn was spent by the entity resulting in an unspent balance of UGX.44.39Bn (representing an absorption level of 65.6%). • I assessed the implementation of seventeen (17) activities that had been fully quantified with a total of two hundred nineteen (219) and observed that out of the two hundred nineteen (219) outputs, the entity fully achieved one hundred thirty-eight (138) outputs; fifty-five (55) outputs were partially achieved, while twenty-six (26) outputs were not achieved. • I conducted a validation of the pay roll and noted that, out of 307 employees on the Authority's salary payroll for February 2023, a total of 303 were fully verified while four (4) employees were away on study leave and were fully accounted for by the Accounting Officer. I noted that out of the UGX.151.754Bn Budgeted and approved wage funds for the four (4) financial years, only UGX.147.04Bn was spent resulting in unspent balances amounting to UGX.4.713Bn. NDA paid its employees on wrong salary scales/notches leading to overpayments of UGX UGX.9,968,037. Out of 357 approved positions, a total of 307 positions were filled leaving a gap of 50 vacant positions. • Included in accounts receivables balance of UGX.65,062,679,357 is a figure of UGX.51,227,471,307 (79%) in respect of Ministry of Health and UGX.159,297,197 from tenants occupying the Authority's property on Plot 59 Nkrumah Road. I noted that whereas the tenancy agreement requires that rent is paid in arrears, UGX.21,514,918 (representing 13%) had been outstanding as far back as 2011. • The Authority set a performance target of 82% for the implementation of the service Delivery Timelines within the stipulated time. A review of the processes established that only three (3) out of the seven (7) sampled processes had performed above the set target. • A review of the database of licensed drug shops established licensed sellers (in-charges) who were running more than one drug shop in different locations. In addition there were licensed drug shops located less than 200 meters from the nearest existing drug shop and 1.5km or less from any existing pharmacy contrary to the Pharmacy licensing regulations.
National Environment Management Authority (NEMA)	Natural Resources, Environment, Climate Change, Land, and Water	Unqualified	• Out of the budgeted NTR of UGX 11.2Bn, UGX 11.6Bn had been collected representing a 103%. • Out of the approved GOU budget of UGX 18.94Bn; UGX 17.32Bn was warranted representing a 91.4% performance. • Out of the total warrants of UGX 17.32Bn availed to the entity during the year, UGX 16.895Bn was utilized representing 97.6% absorption.

			• I assessed six (6) outputs with a total of fifty-seven (57) activities worth UGX 16.9Bn and noted all the six outputs were partially implemented. With twenty (20) activities fully implemented, thirteen (13) activities partially implemented, and twenty-four (24) activities not implemented at all. • Out of 118 employees on the NEMA February 2023 salary payroll, a total of 112, (95%) were fully verified while 6 (5%) did not show up for validation. • Out of the UGX 26,888,347,551 budgeted and approved wage funds for the four financial years, only UGX 25,176,388,002 was spent. • I noted that all the NEMA staff were paid off the IPPS/HCMS payroll. This leads to challenges in tracking of Government expenditure on the payroll and ascertaining the exact amount of Government wage. • Out of 413 approved positions, a total of 119 positions were filled leaving a gap of 294 vacant positions. • I noted that whereas Section 32 (1) of the National Environment Act, 2019 requires the establishment of the National Environment Fund, the fund was not fully operational, yet a sum of UGX 1,565,049,657 had been collected into the Fund. • The Authority lacks a declaration instrument on protected wetlands • There were inadequate mechanisms to track compliance with wetland resource use permits • The Authority failed to enforce Annual Environmental Audits for 776 issued permits • There was continued utilization of wetlands without valid user permits for 708 expired permits. • The Authority had Long Outstanding Receivables of UGX 11.874Bn at the closure of the financial year under review (2022/2023). • The performance of the NEMA Board was not evaluated and there was no follow up on some major Board resolutions. • The Authority has inadequate fleet to effectively run its operations, with only 23 operational vehicles of the 42 Authority fleet.
National Enterprises Corporation (NEC)	Governance and Security	Unqualified	• All 24 employees on NEC June 2023 salary payroll were fully verified. • NEC did not have an approved staff structure indicating the number of positions, titles and their salary scales. • The Human Resources and payroll management functions for NEC Corporation Limited and all its subsidiaries are manual and not automated. • NEC-HQT did not prepare consolidated financial statements as required by the reporting standards for its six subsidiaries.

			• NEC-HQT and its subsidiaries have not yet automated the processes of financial reporting but rather produce financial information/statements using manual systems. • NEC-HQT had no approved Strategic Plan.
National Enterprises Corporation (NEC) AGRO	Agro-Industrialization	Unqualified	• All the 32 employees (100%) on the June 2023 entity payroll who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • I reviewed the budgets and actual expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX 2,758,222,404 budgeted and approved wage funds for the four financial years, only UGX.2,427,523,488 was spent giving rise to unspent balances amounting to UGX 330,698,916. • One (1) individual on the entity payroll drawing a monthly salary of UGX. 3,485,213 was above the statutory retirement age of sixty (60) years. • I was not availed with the minutes of appointment for the thirty-two (32) staff employed by NEC AGRO to confirm whether these individuals had genuine minutes of appointment. • NEC AGRO SMC Ltd has an operating margin of 5.1%, which is below the 15% recommended threshold. This performance is also below 7.4% realized in the previous year 2021/22. • For the year under review, NEC Agro posted a Return on assets of 13.7% down from 19% posted in the previous year, representing a reduction in ROA of 28%. • I noted that the company had a current ratio of 3.8 for the year under review, which was above the desirable ratio of 1.5. • I noted that the company had a debt ratio of 27% as at the end of the financial year under review in comparison with the previous year; the debt ratio was 3.1% indicating an increase of 23.9% in the debt ratio over the one-year period. • During implementation of the food and feed programme, NEC-Agro, and MODVA implemented the intervention without a Memorandum of understanding which clearly stipulates the responsibilities and obligations of each of the parties. This maize grain harvested by the entity was processed into Posho and supplied to MoDVA training schools which was not in line with the initial objectives of the intervention. • I compared the farm equipment currently owned and available for use by NEC Agro with the desired number and category of equipment and observed that NEC is significantly under equipped.

National Enterprises Corporation (NEC) Construction works and Engineering Limited.	Governance and Security	Unqualified	• All the ten (10) (100%) individuals on the June 2023 payroll showed up for the physical headcount. • All staff appointment letters did not have the Board minute extracts and the Board minutes evidencing appointment of individuals were not provided for verification. • NEC-Works has an operating margin of 5.9%, which is below 15% and below the 8.8% realized in the previous year 2021/22. • The Company made profits of UGX.4,888,991,171 after tax in the year under review up from the profits of UGX.4,352,095,630 realized in the previous year, representing a rise in profits of 12.3%. • The Company posted a return on assets of 4.4% which was a reduction from the performance of 7.5% posted in the previous year. The ROA is still below the generally acceptable safety threshold. • The Company had a current ratio of 1.1 for the year under review, which was below the desirable ratio of 1.5. I further noted that the current ratio for the year decreased from a ratio of 1.3 recorded in the previous year. • The Company had a debt ratio of 86.3% at the end of the financial year under review implying that majority of the company's assets are financed by debt. • NEC Works Ltd had outstanding trade debtors of UGX.14,341,937,343 as of 30th June 2023 which was an increase of 13.4% from UGX.12,642,327,284 as of 30th June 2022 • I inspected a sample of ongoing construction projects currently being implemented by NEC-Works to assess the quality of works and progress of works and established that largely Projects were behind schedule.
National Enterprises Corporation (NEC Farm Katonga)	Agro-Industrialization	Unqualified	I noted that: • NFK had a negative operating margin of 2.2% from a positive operating margin of 15.8% in the previous year. • The entity had a loss of UGX.70,601,539 during the year from a profit of UGX.253,263,582 in the previous year. • NEC Farm Katonga's Return on Assets decreased to -0.6% from 2.6% recorded in the previous year. • The Company had a current ratio of 39.2 during the year above the desirable current ratio of 1.5 • NEC Farm Katonga had receivables of UGX.699,059,050 at the end of the financial year, an increase of UGX.625,294,574 from UGX.73,764,476 of the previous financial year.

			• Out of 10 non-uniformed employees on the payroll, nine (09) employees were fully verified, whereas one (01) employee was partially verified. • Two (02) individuals on the entity payroll were above the statutory retirement age. • NEC Farm Katonga lacked minutes of appointment for its employees. • Out of the UGX.1.1Bn budgeted and approved wage for the four financial years 2019/20 to 2022/23, UGX.1.4Bn had been spent representing a performance of 125%. • Out of 95 approved positions, only 27 positions were filled leaving a gap of 68 positions. • Out of the total budgeted revenue of UGX.4.4Bn for the Financial year, UGX.0.99Bn was collected resulting into an under performance of UGX.3.4Bn. • (Performance of the Egypt Uganda Joint Model Farm)- Out of 15 deliverables with 20 activities, 14 activities had been fully implemented, four (04) activities partially implemented, while two (02) activities had not been implemented at all. • NEC Farm Katonga did not prepare a joint Project work plan for the Egypt Uganda Joint Model Farm. • (Performance of the Meat Export Support Services Project)- out of 12 planned activities, only three (03) had been fully implemented, eight (08) activities were partially implemented and one (01) activity not implemented at all. • (Implementation of food and feed program)- the Company implemented this intervention on behalf of NEC Agro without a Memorandum of Understanding. • Out of 600 acres of maize planted, 20 acres of maize were processed into silage which was fed to the animals under the Egypt-Uganda Joint Farm Project. • Out of 47,000kgs of harvested maize, and 16,000kgs of harvested soya bean were used to feed animals owned by the Company while 1,167kgs of harvested beans were reserved for feeding farm staff and labourers.
National Enterprises Corporation (NEC Uzima Limited)	Governance and Security	Unqualified	• All the 17 employees representing 100% on the June 2023 Corporation payroll who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • I reviewed the Budgets and Actual Expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX. 2,019,891,371 Budgeted and approved wage funds for the four financial years, only UGX. 2,016,597,056 was spent. • I was not provided with the minutes of appointment for the 17 staff employed by NEC UZIMA to confirm whether these individuals had genuine minutes of appointment.

			• NEC UZIMA LTD has an operating margin of 5.1% which is below the 15% recommended threshold. This performance is also below 6.2% realized in the previous year 2021/22. • NEC UZIMA Ltd reported a profit of UGX. 164,752,517 after tax in the year under review down from profits of UGX. 191,429,713 realized in the previous year representing a decline in profits of 14%. • For the year under review, NEC UZIMA posted a Return on Assets of 2.1%, almost close to the 1.9% posted in the previous year. The subsidiary is not making an endeavour to increasingly generate revenue from the use of its assets. • I noted that the company had a current ratio of 2.4 for the year under review, which was above the desirable ratio of 1.5. • I noted that the company had a debt ratio of 51% at the end of the financial year under review. The company does not have enough funds to meet its current debt obligations. • Analysis of the Company's payables revealed an increase in payables from UGX. 1,333,582,039 the previous year to UGX. 1,825,350,372, representing an increase of 36% in payables. • NEC UZIMA lacks an approved business case to enable comparison with the current market conditions in order to advise management if there was a need to review and update company assumptions given the current performance of the company and the current market conditions.
National Enterprise Corporation Luwero Industries Ltd	Governance and Security	Unqualified	• Out of the UGX 6,830,602,864, budgeted and approved wage funds for the four financial years, only UGX 6,725,178,265 was spent giving rise to unspent balances amounting to UGX 105,424,599 • The entity had outstanding trade debtors amounting to UGX.4,799,772,822 at the close of the financial year 2022/2023. • The Company has an operating margin of 49.4%, which is above the 15% benchmark. • The Company made profits of UGX.8,049,073,124 after tax in the year under review up from profits of UGX.7,881,813,364. • The Company posted a return on assets of 14.9% for the year under review. • The Company had a current ratio of 23.2 for the year under review, which was above the desirable ratio of 1.5. • The company had a debt ratio of 1.3 % as at the end of the financial year under review implying that most of the company's assets are financed by other sources other than debt.

National Forestry Authority (NFA)	Natural resources, environment, climate change, land and water	Unqualified	• The Authority collected NTR of UGX 12.6Bn out of the estimated UGX 17.19Bn representing a performance of 73.3%. • Out of the budgeted revenue of UGX 29.24Bn only UGX 24.94Bn (85.3%) was warranted. Of these warrants, UGX 24.2Bn (97%) was absorbed by the Authority leaving unspent balance of UGX 0.74Bn. Of the 4 outputs with 57 fully quantified activities, 27 activities (47%) were fully implemented, 14 activities (25%) were partially implemented, while 16 activities (28%) remained unimplemented. • Out of 360 employees on National Forestry Authority February 2023 salary payroll, a total of 359, (99.7%) were fully verified while 1 (0.3%) did not show up. • For the period 2019/20 to 2022/23, out of the UGX 35,488,193,196 Budgeted and approved wage funds for the four financial years, only UGX 33,839,629,039 was spent giving rise to unspent balances amounting to UGX 1,648,564,157. • The entity incurred expenditure of UGX 17,760,000 to settle rental bills for various Authority offices and charged it to contract staff salaries. Relatedly, the Authority paid UGX 476,061,583 to patrolmen from the salary code instead of allowance code. • The Authority had receivables totalling to UGX.6.8Bn at the closure of the financial year under review. • The Authority had one project (IFPA-CD) that was eligible for consolidation, but its transactions were not consolidated in the Authority financial statements contrary to Financial Reporting guidelines. • The Authority spent UGX 183,724,764 in respect of fines and penalties during the year under review. This was wasteful as the cases could have been avoided. • A review of the Annual Performance Report revealed that of the 122 illegal land titles submitted to MoLHUD for cancellation only 2 had been cancelled. • I noted that Eco-Tourism Guidelines have not been approved since their development in April 2014. • I noted that Six (6) eco-tourism sites in Kajjansi and Lutoboka CFRs were operating without a license. • The Board has been operating with only five of the seven members including the Executive Director who is an ex-official in the board.
National Housing Construction Company Limited (NHCCL)	Sustainable Urbanisation & Housing	Unqualified	• There was unutilized Wage of UGX 2,353,827,783 for the last four financial years 2019/20 to 2022-23 • Understaffing was observed at NHCCL. The Company engages staff on temporal arrangements whenever projects come on board. These are not in the structure.

			• During financial performance assessment, there was remarked improvement in profits after tax, return on assets, interest cover and debt to equity ratios. However, these were still below the industry standard. • Failure to implement board resolutions. • There was encroachment on Company land • Failure to comply with statutory deductions of NSSF and withholding tax • Delayed/incomplete projects where capital has been tied up and also customers were getting frustrated with the delays hindering them to occupy the units they had already deposited on.
National Identification and Registration Authority (NIRA)	Governance and security	Unqualified	I noted that: • NIRA budgeted to collect UGX.15Bn however, by the end of the year, only UGX.7.04Bn had been collected, representing a 47% performance. • Out of the approved budget of UGX.60.89Bn from the various programmes, UGX.49.62Bn was warranted, resulting in a shortfall of UGX.11.26Bn, representing 82% performance. Out of the total warrants of UGX.49.6Bn availed to the entity during the year, UGX.48.2Bn was utilised, resulting in unutilised warrants of UGX.1.46Bn representing 97% utilisation. • The budgets for four (4) outputs assessed were not supported by individual activity costing and budgets. • Five (5) outputs had been fully quantified with a total of forty (40) activities worth UGX.24Bn however all activities were partially implemented. • Over the last six years, NIRA planned to register eligible aliens. In the current financial year 2022/2023, NIRA planned to register 30,000 aliens however, to date, no aliens have been registered. • NIRA registered a reduction in registrations of births, deaths and adoptions despite having the same or more staff, with the rate of registrations contracting by 20%, 53%, and 29% for births, deaths and adoptions respectively, in the financial year 2022/2023 • Information about births and deaths occurring in Uganda is housed in the Mobile Vital Records System (MVRS); however, this system is not integrated with the National Security Information System, which manages all identification information about Ugandan citizens and prints national IDs. • The supporting documents attained at the time of application for a birth or death certificate for example, the receipt of payment, copy of national IDs for parents, notification of birth, and certificate of cause of death, are not stored in the Mobile Vital Records System (MVRS) but are stored as hard copy files.

			• A significant number of health centres in the country do not have access to the MVRS due to lack of internet, electricity, laptops, and printers. • NIRA issues birth and death certificates to aliens, each at a fee of USD 40. However, contrary to the Registration of Persons Act, these birth and death certificates do not contain the Alien Identification Numbers. • 26,823,321 Ugandans had registered for National IDs, reflecting 59% of the population, while 16,921,036 had been issued with national identity cards, reflecting 63% of those registered. • The Authority is behind schedule for the mass enrolment and renewal exercise. • The Personalisation machines use laser diodes to personalise cards; however, these have surpassed the recommended operational lifetime of 10,000 hours, resulting in diminished picture quality and the presence of lines on cards. Further, the Authority uses old registration kits procured in 2010 and 2014. • Several registration offices are understaffed, with most district registration offices having two officers instead of the recommended four staff. • There were several inconsistencies during the physical headcount exercise conducted as part of the Special Audit on Payroll as the NIRA information in the database and National IDs was compared against the physical person. • From review of the activity reports for the registration of S1s & S2s, only 490,168 students were registered, and only 44,951 students were issued with National IDs. I further observed that there were no established targets for this activity to enable one to evaluate its performance. • Out of 410 employees, a total of 407 (99.3%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • Three (3) employees on the payroll did not appear for the validation. • One (1) individual whose name was <u>not</u> on the payroll appeared for the validation exercise with all pre-requisite documents. • Six (6) employees on the main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • Out of the UGX.98.178Bn budgeted and approved wage funds for the four financial years 2019/20 to 2022/23, only UGX. 91.031Bn was spent, giving rise to unspent balances amounting to UGX.7.146Bn • NIRA Over–remitted UGX.410.70Mn and under-remitted UGX.208.718Mn worth of statutory deductions • NIRA under-remitted non-statutory deductions of UGX.4.848Mn during the period.

			• Out of 856 approved positions, a total of 410 positions were filled, leaving a gap of 446 vacant positions. • NIRA delayed deleting seven (7) employees who left the entity from the payroll. As a result, the entity irregularly paid them salaries amounting to UGX.10.846Mn
National Information Technologies Authority (NITAU)	Digital transformation	Unqualified	• I noted that National Information Technology Authority had approved NTR estimates of UGX.28Bn for the FY 2022/2023, out of which UGX.14.6Bn was collected representing a 52% performance. • NITA had an approved budget of UGX.61.98Bn from various programmes, out of which UGX.55.16Bn was warranted representing an 89% performance. • The Authority reported payables as at 30th June 2023 of UGX.40.2Bn. I noted that this position had increased from UGX.21.8Bn (i.e. 85%) as at the beginning of the year under review. I further noted that from the opening payables of UGX.21.8Bn, only UGX.6.3Bn (i.e. 29%) was paid during the year. • A total of 80 (97.6%) employees of NITA who appeared for the validation exercise out of 82 employees presented all the pre-requisite documents/information and were fully verified, and two (2) (2.4%) employees were not verified. • A total of 4 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. Inconsistent information undermines the integrity of the entity's records and may complicate the employee service history and retirement procedures. • The entity paid its employees on wrong scales/notches leading to overpayments of UGX.0.194Mn to 7 employees. Over–remittance of UGX.0.122Mn of statutory deductions were made by the entity during the period. • I noted that the Authority did not recover government of Uganda National Social Security Fund (NSSF) contribution from gratuity payment for the FY 2022/23 worth UGX.0.169Mn. • I noted that 173 MDAs had been invoiced a total amount of UGX.34.6Bn as at end of FY 2022/2023. However only UGX.22Bn was realized representing 59% payment. The failure to consolidate these entities on the ICT budget leads to increase in ICT arrears at the respective entities.
National Library of Uganda (NLU)	Human Capital Development	Qualified	• Out of a budget of UGX.1.813Bn, only UGX.1.133Bn was realized resulting in a shortfall of UGX 0.680Bn (20%) hence affecting the implementation of some planned activities. • Two (2) outputs with five (5) activities worth UGX 0.041Bn were fully implemented.

			• Eleven (11) outputs with twenty-three (23) activities worth UGX.0.903Bn were partially implemented. • One (01) output with three (3) activities worth UGX 0.053 were not implemented. • Out of 32 approved positions, only 21 positions (65%) were filled leaving 11 (35%) vacant positions.
National Lotteries and Gaming Regulatory Board (NLGRB)	Community mobilization and mindset change Development plan implementation Digital transformation Governance and security Private sector development Public sector transformation	Unqualified	• National Lotteries and Gaming Regulatory Board (NLGRB) had an approved NTR estimate of UGX.3.945Bn for the FY 2022/2023, out of which UGX.3.233Bn had been collected representing a 98.6% performance. • NLGRB had an approved budget of UGX.8.082Bn from various programmes out of which UGX.6.473Bn was warranted, resulting in a shortfall of UGX.1.609Bn representing an 80% performance. • Out of 41 employees on NLGRB February 2023 salary payroll, a total of 30 (73%) employees of NLGRB who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified, 10 (24%) partially verified, while 1 (2%) did not show up and were not verified. • NLGRB had 51 approved positions, out of which a total of 40 positions were filled leaving a gap of 11 vacant positions. • NLGRB had failed to update the staff establishment to match the entity's current needs.
National Oil Palm Project (NOPP)	Agro-Industrialization	Unqualified	• The Project profile was prepared by the Accounting Officer for this project before the project was operationalized by the entity. • A pre-feasibility study and detailed feasibility study were undertaken prior to the execution of the Project. • The total cumulative disbursements to date were less than expected as per the project financing agreement and the government has paid commitment fees amounting to UGX.507,448,339 on un-disbursed donor funds. • I sampled nine (9) activities worth UGX.48.818Bn and noted that targets for two (2) activities worth UGX.12.885Bn had been fully achieved while targets for the remaining seven (7) activities worth UGX.35.933Bn were yet to be achieved. • The Project received all the budgeted funds of UGX.48.74Bn and only UGX.25.046Bn was spent on NOPP activities, while UGX.3.285bn was repurposed to other MAAIF activities leaving UGX.20.408Bn as unspent. This affected implementation of project activities. • The project had delays in implementation of seven (7) activities which affected service delivery.

National Oil Seed Project (NOSP) Component 1 IFAD Loan No. 200000328100 (NOSP-MAAIF)	Agro-Industrialization	Unqualified	• I noted delays to commence the project arising from lengthy approval and procurement processes. • I noted that only UGX.10,676,864,814 was disbursed out of the expected cumulative disbursement of UGX.97,395,000,000. • Out of the approved budget of UGX. 37,660,000,000 for the financial year 2022/2023, UGX.11,982,789,135 was available for spending, resulting in a shortfall of UGX. 25,677,210,865. • Out of the total available funds of UGX. 11,982,789,135 only UGX. 3,323,718,000 was spent resulting into unspent balance of UGX. 8,659,071,135. • I noted that key project activities such as Procurement of 12 vehicles for hubs and PCU, Sensitization and launching of the completed irrigation systems was not conducted and operationalisation of all the six (6) hubs in 75 districts were not implemented during the year.
National Physical Planning Board (NPPB)	Sustainable Urbanisation & Housing	Unqualified	• Out of the budget of UGX 4.027Bn, only UGX 2.702Bn was available for spending resulting in a shortfall of UGX 1.324Bn, (33%). • Out of nineteen (19) planned outputs only four (4) activities worth UGX 0.251Bn were fully implemented, eleven (11) activities worth UGX 0.628 Bn were partially, while four (4) activities worth UGX 1.105Bn remained unimplemented. • The entity accumulated domestic arrears of UGX 150,000,000 contrary to the commitment control system.
National Planning Authority	Agro-industrialization Development plan implementation Human capital development Mineral development Natural resources, environment, climate change, land and water Private sector development	Unqualified	• The entity budgeted to collect UGX.0.01Bn during the year however, no NTR was collected. • The entity had an approved budget of UGX.46,193,192,910 out of which UGX.44,995,581,953 was warranted, resulting in a shortfall of UGX.1,197,610,957 representing a 97.4% performance. All the funds were utilised. • All ten (10) outputs assessed were not supported by individual activity costing and budgets. • Three (3) activities were partially implemented, while 10 activities remained unimplemented. • All 137 employees of the Authority were validated while three (3) individuals whose names were not on the Authority's April 2023 permanent payroll appeared for the validation exercise. • 30 employees on the payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the payroll and data captured by NIRA on the National Identity cards.

	Public sector transformation Regional balanced development		• The Authority had an approved staff establishment of 181 out of which 139 positions were filled leaving 41 (22%) unfilled. • A comparison of the budget figures and the actual payments in respect of the payroll revealed an under-absorption of UGX.3,822,504. • An Assistant Coordinator African Peer Review Mechanisms and Partnerships was recruited on a renewable contract of five years following his early retirement from Ministry of Local Government. • The specific projects for expanding/scaling up provision of industrial production infrastructure and facilities in all regions were not specified. • At the time of audit in October 2023, which was the third year of implementation of the NDP III, sixteen (16) rolled over projects from NDP II to NDP III were still incomplete. • NPA has not adequately monitored the implementation of irrigation schemes. • 11 MDAs had not prepared strategic plans. • There are no comprehensive and approved service delivery standards for the various programs and outcomes. • There were gaps in the implementation of the program approach such as failure to amend the existing laws, sector set up in Parliament, Local Governments are not represented on the Programme Working Groups and challenges in owning the targets and the deliverables. • NPA had not prepared regional plans for the different regions of the country except Northern and Kasese regions while preparation of the plans for Karamoja was on going.
National Population Council (NPC)	Community mobilization and mindset change Human capital development	Unqualified	• The National Population Council had approved NTR estimates of UGX.78M for the FY 2022/2023. However, the Council did not collect any NTR, representing a 0% performance. • NPC had an approved budget of UGX.13.734Bn from various programmes out of which UGX.10.13Bn, was warranted representing a 73.76% performance. • A total of 29 of NPC employees (i.e. 49%) who appeared for the validation exercise, presented all the pre-requisite documents/information and were fully verified, while 27 (i.e.46%) were partially verified, and 3 (i.e. 5%) did not show up and were not verified. • Out of 86 approved positions, NPC had a total of 59 positions filled, leaving a gap of 27 vacant positions. • I draw attention to the disclosure by the Accounting Officer under Note 1(a)(iv) of the Notes to the financial statements, in regard to the planned mainstreaming of

			the functions of the Authority under the Ministry responsible for finance. The Council may cease to exist in its current form in the next accounting period. • I noted that NPC had failed to fully operationalize the National Population Databank. This delay may deny the stakeholders of useful data for planning and will ultimately affect decision making on population related issues.
National Pipeline Company	Sustainable Development of Petroleum Resources	Unqualified	• I noted that the overall progress on the EACOP project was 30% as at 30th June 2023. The status of key milestones was; Engineering – 61%, Procurement-43% and Construction – 4%. • Land acquisition in Uganda was at 84% which poses community related risks to the project. • The petroleum stock levels at JST have an average buffer of 5.4 million litres which is below the standard requirement of 70 Million Litres, a shortage of 92%. • I noted unexplained variances between the closing balances of the offloading meter readings and their opening balances (adjusted for receipts). For instance PMS had variances of 3,175,963,2,707,195, and 917,805 litres in the months of January, February, and December, respectively.
National Social Security Fund (NSSF)	Private Sector Development	Unqualified	• The entity had accumulated deficit of UGX.794 billion resulting from allocation of interest to members' accounts exceeding amounts available for the allocation of interest. As a result, accumulated members' funds exceed total fund assets by UGX.508 billion. • Out of the UGX.58 billion unallocated members' contributions as at 30th June 2023, UGX.32 billion of these relate to periods earlier than Financial Year (FY) 2021. These contributions have moved by UGX.4.3 billion from their position as at FY 2021 of UGX.36.3 billion. • Further to the above, there were unallocated members' funds for FY 2023 alone of UGX.18 billion, of which UGX.10.7 billion was allocated in July 2023.
National Water and Sewerage Cooperation	Human capital development	Unqualified	• 4 pieces of land had expired leases and are at risk of being allocated to other interested p Included in the receivables figure of UGX. 363,925,860,000 is UGX. 87,072,921,584 which is owed by Ministries, Departments and Agencies of Government of which only UGX 43,134,590,775 has been verified and a commitment made by the PSST to settle. • Included in the receivables figure of UGX. 363,925,860,000 is UGX. 87,072,921,584 which is owed by Ministries, Departments and Agencies of Government of which only UGX 43,134,590,775 has been verified and a commitment made by the PSST to settle.

National Women's Council (NWC)	Human Capital Development	Unqualified	• Out of UGX 9.4Bn only UGX 9.1bn was realized hence a shortfall of UGX 0.3bn representing 3% of the overall budget. • Four (4) outputs with eight (8) activities worth UGX 3.742Bn were fully implemented. • Two (2) outputs with eight (8) activities worth UGX 0.747Bn were partially implemented.
National Youth Council (NYC)	Human Capital Development	Unqualified	• Out of a budget of UGX.4.49Bn, only UGX.3.59Bn was received resulting in a shortfall of UGX.0.89 Bn (20%) hence affecting the implementation of some planned activities. • Eight (8) outputs worth UGX.1.56Bn were fully implemented. • Six (6) outputs worth UGX.0.9Bn were partially implemented. • One (4) outputs worth UGX.0.09Bn were not implemented at all. • Out of twelve (12) approved positions, only six (6) positions were filled leaving a gap of 6 vacant positions. • UGX 189,877,615 relating to statutory deductions have not been remitted to URA and NSSF respectively over the years and Council risks facing litigation and resultant penalties for delayed settlement.
New Vision Printing and Publishing Company Limited	Public Sector Transformation	Unqualified	• As of 30th June 2023, the Company conducted an impairment assessment of its non-current assets in accordance with International Accounting Standard 36 (IAS 36) - Impairment of Assets. The test for impairment of assets compares the carrying value of Cash Generating Units (CGU) to the higher of their fair value less costs to sell or value in use (recoverable amount) which involves significant judgement and assumptions. This was therefore considered a Key audit matter. • Management determined a 15-year useful life for its intangible assets, primarily the content development related to instructional materials used in primary and secondary education. I considered this a key audit matter because of the significance and subjectivity of this estimation. • Trade receivables amounting to UGX.2.9Bn have been long outstanding for over 2 years. The current receivables management approach does not reflect the reality of collections and is not aligned with the company's credit policy of 45 days. • The company does not regularly carry out reconciliations between suppliers' statements and the underlying accounting records which could lead to payment errors, duplicate payments, and potential fraud.

Nile Hotel International Limited (NHIL)	Private Sector Development	Unqualified	I noted that: • Nile Hotel International Limited had an approved NTR estimate of UGX.2.40Bn for the FY 2022/2023, out of which UGX. 2.86Bn had been collected representing a 119.17% performance. • NHIL had an approved budget of UGX.2.42Bn out of which UGX.2.41Bn was appropriated by the board, representing a 99.99% performance. • NHIL had to implement seventeen (17) outputs with a total of twenty-three (23) activities during the year, at total expenditure of UGX.1.09Bn. • Out of 4 employees on NHIL February 2023 salary payroll, a total of 4 (100%) employees of NHIL who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • NHIL had 7 approved positions, out of which a total of 4 positions were filled leaving a gap of 3 vacant positions. • NHIL had invested in Igongo Country Hotel and Cultural Centre and acquired 49% shareholding at a price of UGX.11Bn. NHIL failed to all the land owned by the hotel to the company registered. • NHIL lost UGX.7.77Bn (69%) in this settlement signed on 01st September 2023, the parties agreed that URA pays a total of UGX.3.41Bn (31%) to NHIL, as full and final payment for the suit, contrary to the judgement (HCCA No 15 of 2017) where the amount owed as of 30th June 2023 was UGX.11.17Bn. • NHIL had failed to develop to develop and implement policies, guidelines and strategic plans for its concessioners and stakeholders. • NHIL had delayed in the redevelopment, refurbishment and failed to maintain the conference centre.
Northeastern road-corridor Asset Management Project (NERAMP)	Integrated Transport Infrastructure & Services	Unqualified	• Out of the total expected cumulative disbursements of donor funds of USD 243,800,000, only USD 79,956,855 (32%) has been released leading to a variance of USD 163,843,145 yet the project has less than one year to end. • Due to delays in absorption of funds, government has incurred a total of USD.8,823,700 in commitment fees. • Out of the total expected cumulative disbursements of Government of Uganda Counterpart funding of USD.11,200,000, only USD.2,773,497 has been released leading to a variance of USD 8,426,503. • The project had an approved budget of USD 46,000,000 for the financial year 2022/2023 out of which USD. 42,002,602 was available for spending resulting in a shortfall of USD.3,997,398 representing 91% performance.

			• Out of the total available funds of USD.42,002,602, only USD.20,872,788 was spent resulting in unspent balance of USD.21,129,814 representing an absorption level of 50%. • Payments to contractors are made beyond 28 days hence leading to interest charges of UGX.3,468,660,901. • There was delayed World Bank clearances & approvals of proposed quarry sites & materials, delayed lifting of suspensions/stop work orders as a result of non-compliance to RAP & EHSS requirements by the Contractor.
Northern Uganda Resilience Initiative Project Implemented by Ministry of Water and Environment (NURI)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Absence of a project concept note as per the requirements of the Project Development Committee Guidelines, 2016. • Failure to prepare a project profile per the requirements of the Project Development Committee Guidelines, 2016. • Failure to undertake Feasibility studies before commencement of the Project. • The Project was implemented without ever being on the PIP; it was off budget. • The Project implemented sustainability measures during the implementation.
Norwegian Programme for Capacity Development in Higher Education And Research For Development (NORHED II)	Human Capital Development	Unqualified	• There were no reportable issues
Nursing First Miles-Must Project for the period ended 31st December 2022	Human Capital Development	Unqualified	I observed that: • MUST Nursing First Miles Project had excess payments on items of supplies and other costs, worth USD.3,539.66. • Out of the total available funds of USD.53,094 (UGX.197,815,501) for the period under review; USD.48,060.99 (UGX.179,063,714) was spent representing an absorption level of 91%, leaving a balance of USD.5,033.01 (UGX.18,751,787) (9%) unspent. • Some employees were paid monthly salary from Nursing First Miles Project to a tune UGX.17,587,990 (translated to USD.4,720.64).

			• Management purchased equipment worth UGX.5,959,500 (translated to USD.1,600), which were not listed in the budget and without prior written approval from the Hospital Investigator and Hospital Grant Administrator.
Nurture Research Training and Mentoring Program for Career Development Under College of Health Sciences Makerere University	Human Capital Development	Unqualified	• There were no reportable issues.
Nyabyeya Forestry College (NFC)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• The Authority collected NTR of UGX UGX.0.36Bn out of the estimated UGX 2.0Bn representing a performance of 18%. • The entity had an approved budget of UGX.17.66Bn from the various programmes out of which UGX.14.62Bn was warranted resulting in a shortfall of UGX.3.04Bn representing 83% performance. • Out of the total warrants of UGX.14.62Bn availed to the entity during the year, UGX.14.51Bn was utilized resulting in un-utilized warrants of UGX.0.11Bn representing 99.2% utilization. • I assessed the implementation of nine (9) outputs that had been fully quantified with a total of eighty-one (81) activities worth UGX.14.51Bn and noted that; none of the Outputs was fully implemented, Seven (7) outputs with seventy (70) activities worth UGX. 14.51Bn were partially implemented while Two (2) outputs with eleven (11) activities were not implemented at all. • I reviewed the Authority's payroll and noted that out of 197 employees on UNMA February 2023 salary payroll, a total of 192 (97.5%) were fully verified, 0 (0%) partially verified, 0(0%) not verified, while 05(2.5%). • Further review of the payroll revealed other anomalies including Individuals on the Payroll above the statutory retirement age, Individuals with Discrepancies in their name, Individuals without employee numbers, Individuals with minutes from board which could not be confirmed, Variances between the approved establishment and the filled positions, Illegal recruitment of contract staff, Unutilized funds on the salary code, and Payment of salaries off IPPS.

Office of the Auditor General (OAG)	Governance and security		
Office of the Director of Public Prosecutions (ODPP)	Governance and Security	Unqualified	• The ODPP collected UGX.23,000,000 against the budgeted NTR of UGX.40,000,000. • The entity had an approved budget of UGX.95.36Bn from the various programmes, out of which UGX.75.34Bn was warranted, resulting in a shortfall of UGX.20.018Bn, representing a performance of 79%. Out of the total warrants of UGX.75.344Bn availed to the entity during the year, and UGX.74.696Bn was utilised, resulting in un-utilised warrants of UGX.0.648Bn representing 98% utilisation. • The budgets for all the eighteen (18) outputs assessed were not supported by individual activity costing and budgets worth UGX.75.2Bn. • Out of the 17 outputs implemented by the entity worth UGX.36.560Bn, three (03) outputs worth UGX.3.998Bn were fully implemented and 14 outputs worth UGX.32.562Bn were partially implemented. • Out of 584 employees of ODPP on the February 2023 payroll, a total of 567 (97%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. A total of 17 (3%) employees on the payroll did not appear for the validation and were categorised as follows; o 10 employees were away for official duties and other genuine reasons and were left on the payroll, pending validation upon their return. o A total of 7 employees were confirmed to have absconded or retired by the time of validation. These were to be removed from the payroll in consultation with the Accounting Officer. • I undertook other special audit procedures to review the accuracy of the payroll, including planning, budgeting and payments for four (4) years (2019/2020-2022/2023). I noted that; o The entity made overpayments of salaries of UGX.0.038Bn to 24 employees and underpayments of UGX.0.118Bn to 48 employees. o The entity paid its employees on wrong notches, leading to overpayments of UGX.0.131Bn to 230 employees and underpayments by UGX.0.016Bn to 176 employees. o A total of 82 staff were paid a total of UGX.0.399Bn off the IPPS payroll. This leads to challenges in tracking Government expenditure on the payroll. Ascertaining the exact amount of Government wage is rendered difficult. • Out of 1,482 approved positions, a total of 577 positions were filled, leaving a gap of 905 vacant positions.

			• A trend analysis of the domestic arrears showed an increase of UGX.0.574Bn (45.9%) of the payables from the previous year 2021/2022 to UGX.1.825Bn at the close of the financial year 2022/2023. • I reviewed the progress of the construction of Arua Regional Office and noted that works had since stalled, and the contractor had abandoned the site.

Office of the President (OP)	Community mobilization and mindset change Development plan implementation Governance and security	Unqualified	I noted that: • The Office of the President was supposed to receive UGX.230.6Bn out of which UGX.228.9Bn was warranted, resulting in a shortfall of UGX.1.7Bn. The shortfall represents 0.75% of the approved budget. Out of the total warrants of UGX.228.9Bn received during the financial year, UGX.223.9Bn was absorbed by the Entity resulting in an unspent balance of UGX.4.6Bn representing an absorption level of 98%. • The entity budgeted to collect UGX.110Mn as non-tax revenue. By the end of the financial year only UGX.41.6Mn was collected resulting into a shortfall of UGX.68.4Mn. • The budgets for all the four (04) outputs were not supported by the individual activity costing and budgets. • Out of the four (04) sampled outputs with a total of 34 activities worth UGX.47.1Bn, 30 activities were fully implemented, three (03) partially implemented while one (1) was not implemented at all. • Out of 1,026 employees on the February 2023 payroll, a total of 983 (96%) were fully verified, 19 (2 %) partially verified, while 24(2%) did not show up. 46 individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. • 305 employees on the February payroll had inconsistencies in their names, and dates of birth. • Out of the UGX.154.6Bn budgeted and approved wage for the four financial years (2019/20 to 22/23), only UGX.148.0Bn had been spent representing a performance of 95.7%. • Out of 1603 approved positions in the staff structure, a total of 1099 Positions were filled representing 68.6%. • Office of the President inherited 78 staff from the abolished Ministry of Science and at the time of validation 67 individuals had been redeployed to other Ministries, four (4) had died while seven (7) had been deployed but not yet absorbed at the new duty stations. I further noted that the Office of the President had also stopped paying salaries for these seven (7) Officers despite them not being absorbed. • At the end of the year the entity had outstanding domestic arrears of UGX.21.8Bn. • All the 23 Presidential directives were partially implemented as at August, 2023. • 48 pieces of land owned by the entity did not have titles.

Office of the Prime Minister (OPM)	Development plan implementation Governance and security Natural resources, environment, climate change, land and water Regional balanced development	Unqualified	I observed that: • The OPM budgeted to collect NTR of UGX.0.05Bn during the year however, UGX.0.498Bn was collected representing a 996% performance. • The entity had an approved budget of UGX.135.240Bn from the various programmes out of which UGX.114.805Bn was warranted, resulting in a shortfall of UGX.20.434Bn representing a performance of 85%. • Out of the total warrants of UGX.114.805Bn availed to the entity during the year, UGX.103.116Bn was utilised, resulting in un-utilised warrants of UGX.11.688Bn representing 90% utilisation. • The budgets for 32 outputs assessed were supported by individual activity costing and budgets. • Out of 20 outputs that had been fully quantified with a total of 132 activities worth UGX.55.820Bn, 10 outputs were fully implemented and 10 were partially implemented. • Six (6) activities with a total expenditure of UGX.7.426Bn faced challenges which include; delays in delivery of items procured, failure to procure some items and delayed resettlement of displaced people. • OPM failed to utilise funds amounting to UGX.1,155,207,759 meant to procure goats for Karamoja region during the FYR 2022/2023 • Some beneficiaries for goats for Karamoja got less than the required 16 goats. • Out of the 73,900 goats procured, only 73,708 goats worth UGX.25,538,929,900 were distributed, leaving 192 goats worth UGX.5,500,100 unaccounted for. • Out of the 107 goat beneficiaries sampled for inspected, 76 beneficiaries acknowledged receipt of 1,116 goats. Out of 76 beneficiaries visited, 36 had 182 goats worth UGX.72,991,500, while 40 indicated that 353 goats worth UGX.122,884,500 had either been rustled or had died. • Out of the 35,164 iron sheets procured by the Ministry, only 15,272 (43%) iron sheets had been distributed and the balance of 21,332 (57%) iron sheets were still in the OPM stores in Namanve. • 17 of the 24 beneficiaries interviewed indicated that they had not utilised the iron sheets because they did not have funds to construct houses to enable them to use the iron sheets for roofing. • There was inadequate planning for affirmative action programmes with gaps such as absence of needs assessment, procurement not informed by numbers of beneficiaries targeted, lack of documented guidance regarding identification of beneficiaries.

			• Receipts and issues of iron sheets meant for all these interventions were recorded in the same ledgers without being separated according to the different interventions. Similarly, the physical iron sheets were also stored in the same store without the stores' officials differentiating which iron sheets were for which intervention. • Road works in Kalaki and Kaberamaido had partially been done. • Delays in completion of construction of houses for war veterans and classrooms. • Out of 225 employees who were on the Ministry's main payroll of April 2023, a total of 219 (97%) employees who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • Six (6) (3%) staff on the Ministry payroll for the month of April 2023 earning an annual gross pay of UGX.63,270,384 did not appear for the headcount. • Two (2) individuals whose names were not on the Ministry’s April 2023 payroll with the annual salary of UGX. 15,593,364 appeared for the validation exercise. • Out of 197 employees on the short-term contract payroll obtained from the Office of the Prime Minister for April 2023, a total of 195 (98.9%) individuals who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • Two (2) (1.1%) contract staff on the entity payroll for the month of April 2023 earning an annual gross pay of UGX.19,318,308 did not appear for the headcount. • Eight (8) individuals whose names were not on the Ministry’s April 2023 contract staff payroll appeared for the validation exercise. • 35 employees on the payroll had inconsistencies in their names and dates of birth, captured in the payroll and data captured by NIRA on the National IDs. • The Ministry had a total approved staff establishment of 393 staff out of which only 254 (62%) positions were filled leaving 148 (38%) vacant positions. • UGX.24,643,675 was paid to six (6) staff who had either retired or resigned due to delays in carrying out monthly payroll reconciliation. • UGX.17,337,647 was charged on the wrong account codes contrary to the posting terms. • UGX.136,904,988 was irregularly paid from salary code 211101 to various accounts/beneficiaries for activities unrelated to salary payments. • 18 staff were paid a total of UGX.88,939,406 off the IPPS. • During the financial years 2019/2020 and 2020/2021, salary totalling to UGX.284,000,000 was not directly paid to the contract staff of the now closed Dry Land Integrated Development Project. • Underpayments of salaries of UGX.32,832,462.

			• A comparison of the budget figures, warrants and payments in respect of the payroll related expenditure revealed an under-absorption of UGX.3,482,499,006. • The verification committee had submitted a list of 3,283 beneficiaries worth UGX.7,674,521,325; however, by the time of writing the report (October 2023), no beneficiary had been paid. • Since June 2023, when the funds were transferred, NARO has done little or no activity with UGX.981,280,966 still on the bank account. I also noted minimal monitoring, supervision and technical backstopping of project implementation in liaison with the District Local Governments by OPM as required by the MoU.

OPEC Fund for International Development Project of Ministry of Education and Sports, Phase II	Human Capital Development	Unqualified	I noted that no pre-feasibility study or detailed feasibility study were undertaken prior to execution of the project. I noted that whereas the total expected cumulative disbursements of the project funds to date was 53.66Bn only 36.42Bn was realized representing 67.9% as at 30th June 2023 • I sampled eight (8) activities of UGX.9.26Bn and noted that targets for four (4) activities worth UGX.7.95 had been fully achieved while targets for the remaining four (4) activities worth UGX.1.31Bn were yet to be achieved. Three (3) of them had not been started at all. • Out of the total available funds of UGX.41.67Bn only UGX.15.35Bn was spent resulting in unspent balance of UGX.26.32Bn representing an absorption level of 37%.
Parliamentary Commission	Legislation, oversight and representation	Unqualified	• The Commission did not utilise availed warrants amounting to UGX.19,810,770,239. The Commission failed to spend UGX.19.81Bn, representing an absorption level of 98%. As a result, I noted that 10 outputs with 44 activities worth UGX.53.712Bn were fully implemented while six (6) outputs with 65 activities worth UGX.717.623Bn were partially implemented. • I noted that funds to the tune of UGX.1,246,446,500 were irregularly diverted from the activities on which they were budgeted and spent on other activities. • Out of 577 employees on Parliamentary Commission May 2023 permanent salary payroll, a total of 556 (96.4%) were fully verified, while 21 (3.6%) did not show up. • Out of 121 employees on Parliamentary Commission May 2023 contract salary payroll, a total of 113 (93.4%) were fully verified, while 8 (6.6%) did not show up. • A total of 105 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender. • Out of the UGX.128,892,022,962 Budgeted and approved wage funds for the four financial years, only UGX.124,593,548,302 was spent giving rise to unspent balances amounting to UGX.4,298,474,660. • A total of 698 staff were paid a total of UGX.38,181,335,040 off the IPPS/HCMS payroll. • Under-remittance of UGX.109,376,408 of statutory deductions were made by the entity during the period. • Out of 918 approved positions, a total of 733 positions were filled leaving a gap of 185 vacant positions. • I noted that the contract for the construction of the new Parliamentary chambers has been revised/varied five (5) times to UGX.220,235,288,728 (VAT inclusive).

			This indicates deficiencies in the project design, which has led to further delays and probable loss of funds by the Commission. • I observed that the progress of works on the new Parliamentary chambers was at 41% which is below the planned 80%. The Commission will be forced to continue operating at less than half its standard siting capacity.
Parliamentary Pension Scheme (PPS)	Legislation, Oversight and Representation	Unqualified	• The Scheme had long-term and short-term loans-(financial instrument) amounting to UGX.24.35Bn as at 30th June 2023. However, management did not conduct an assessment for expected credit losses. As such, no impairment provision was made against the loans in the financial statements as guided by IFRS 9. • Management delayed filing withholding tax returns for 12 months. There is a risk that the schemes may suffer fines and penalties.
Petroleum Authority of Uganda (PAU)	Sustainable petroleum development	Unqualified	• The Authority had a budget of UGX 74.8Bn out of which UGX 73.24Bn (98%) was warranted. Of the shortfall, UGX 1.3Bn was intended to Operationalise the National Petroleum Data Repository in the Albertine Region. • Out of the total warrants of UGX 73.24Bn availed, UGX 70.1Bn (95%) was utilised, the un-utilised warrants of UGX 3.14Bn related to mainly unpaid salaries arising from delays in staff recruitment. • I assessed the implementation of six (6) outputs worth UGX.40.8Bn and noted that; one (1) output worth UGX 4.7Bn was fully implemented while five (5) outputs worth UGX 36Bn were partially implemented. • 187 out of the 199 staff on April 2023 payroll were physically validated while 11 were away on study leave and official duties while one (1) staff had resigned at the time of physical validation. • I also noted that out of the 277 approved positions, 199 (72%) positions were filled, leaving 78 vacant positions. • The Authority held UGX 352,407,260 associated with letters of credit initiated in the Financial Year 2020/21 that had not performed by end of year. • There was a delay in the operationalisation of the online work permit system arising from delay to integrate the system with that of the DCIC's work permit system. • The Authority lacked established criteria for assessing the value of the data it held, even though it dealt with significant volumes of data available for sale. • The Authority does not have a succession Plan at every grade level to cater for both planned and emergency situations, to prepare employees for the continuity of the Authority operations.
Pharm biotechnology and Traditional Medicine Centre	Human Capital Development	Unqualified	• I noted that this project should have exited the Public Investment Plan by 30th June 2023. However, at the time of audit (August 2023), there was no evidence that the project had exited.

(PHARMBIOTRAC) ACE II of Mbarara University			• The project had an approved budget of USD1,195,915 for the financial year 2022/2023 out of which USD 633,863[11] was available for spending resulting in a shortfall of USD 562,052 representing 53% performance. • Out of the total available funds of USD 633,863 only USD 623,393 was spent resulting in unspent balance of USD 10,470 representing an absorption level of 98%. • I noted that whereas the total expected cumulative disbursements of the project funds to date was USD 6,000,000 only USD 5,261,650 was realized representing 87.7% • I sampled twenty-seven (27) activities of USD 1,664,251 and noted that targets for six (6) activities of USD 187,344 had been fully achieved while targets for twenty (20) activities of USD 1,465,307 were partially implemented while one (1) activity of USD 11,600 was yet to be achieved • I noted that the project had unpaid salary arrears for three months and PhD Students stipend amounting to UGX. 183,347,964
Post Bank Uganda Limited	Public Sector Development	Unqualified	• The Bank has estimated allowances of for expected credit losses ("ECL") on gross loans and advances of UGX.17.03 Bn as at 31st December 2022 (2021: UGX.13.57 Bn). I considered this a key audit matter in view of the complex and subjective judgment exercised by the Bank in estimating the above provisions.
Predictive Personalized Public Health: A Novel Paradigm to Treat Infectious Disease (PH3) Project of Mbarara University of Science and	Human Capital Development		• There were no reportable issues.

Technology (MUST)			
Presidential Initiative on Banana Industrial Development (PIBID/BIRDC) for the year Ended 30th June 2022	Innovation, Technology Transfer and Development	Unqualified	• I noted that the chart of accounts used in the preparation of financial statements was not approved and was inconsistent with Paragraph 6.1 of the Accounting Policies stated in the financial statements and the Government of Uganda Chart of accounts as approved by the Accountant General. • The entity collected only 29.7% of the budgeted local revenue while GoU receipts performed up to 94.2% of the budget. The entity however absorbed only 48% of the availed funds which affected service delivery. • The entity did not have an approved Organisational structure and neither was evidence provided to confirm that the entity has an approved salary structure. • The entity undertook procurements worth UGX.0.49Bn using the wrong procurement method which was irregular.
Pride Microfinance Limited (MDI) PML	Public Sector Development	Unqualified	• I identified Impairment of loans and advances to customers as a key audit matter because the directors make complex and significant judgments over both timing of recognition of expected credit loss (ECL)/impairment and the estimation of the size of any such impairment. The key areas where I identified greater levels of judgement and therefore increased levels of audit focus in the Company's ECL calculation of UGX. 7,342.72Bn in 2022 (2021: UGX. 11,193.48 Bn) are; Model estimations, Economic scenarios and Significant Increase in Credit Risk (SICR).
Project for Financial Inclusion in Rural Areas	Development Plan Implementation	Unqualified	I observed that: • 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 Bn against a budgeted amount of UGX.3.67 Bn for the year. This represents 89% of the projected commitments. The Government funding was meant to cater for contract renewal of the Government-funded staff until project closure, costs for conducting project completion activities and operating costs. • 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. The exit strategy has not yet been put in place. • 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 noted that the contracts have not been signed and implemented. • The Management received a grant from IFAD to implement projects in the Northern Uganda covering Acholi and West Nile sub regions. There were set standards for the financial management and monitoring of performance of the grant, to a tune of UGX.4.73 Bn. However, the project is coming to an end without proper modalities for monitoring and supervision.
Project for Restoration of Livelihoods in The Northern Region (PRELNOR) - IFAD Loan N0.Ug 2000000947 and ASAP Grant NO.200000032 4	Public Sector Transformation	Unqualified	I noted that: • No concept note was prepared for the project against the development committee guidelines. • No project profile was prepared by the Accounting Officer for this project before the project was operationalised by the entity. • Neither the pre-feasibility study nor detailed feasibility study were undertaken prior to execution of the project. • As at the time of audit in October 2023 that there was no evidence that the project exited the Public Investment Plan (PIP) by 30th March 2023 as stipulated in the Budget execution circular issued by the PS/ST for the financial year 2022/2023. • The total cumulative project disbursements to date were less than expected by USD.12.72 million as per the project financing agreement. • Out of a sample of 108 activities worth UGX.117,350,818,570, targets for 85 activities worth UGX.87,727,622,509 had been fully achieved, while targets for the remaining 23 activities worth UGX.29,623,196,061 were yet to be achieved. • The Project had an approved budget of UGX.54.4Bn for the financial year 2022/2023, out of which UGX.40.1Bn was available for spending, resulting in a shortfall of UGX.14.3Bn representing 74% performance. • Out of the total available funds of UGX.40.1Bn, only UGX.35.4Bn was spent, resulting in an unspent balance of UGX.4.7Bn, representing an absorption level of 88%. • There were delays in completion of the rehabilitation of Corner Pa Lagara– Monroc Market Road 14.7km worth UGX.1,780,629,779. I further noted that the project management had paid the contractor three certificates worth UGX.1,079,577,618

			VAT inclusive, i.e., 61% of the contract price, when the physical progress on ground was below the financial progress. • Out of the planned five satellite markets, only two markets, namely Opit in Omoro District and Lukole in Agago District, worth UGX.1,130,538,421 were procured and were under construction. • There was delayed completion of the construction of the two (2) markets namely Opit in Omoro district and Lukole in Agago district by an average of eight (8) months as at the time of audit in October 2023. • Contracts for seven (7) Community Access Roads (CARs) that had been contracted out to seven (7) contractors had either expired or sites were abandoned before completion of contractual works. • Though the Project closure date is 31st March 2024, there was no evidence that management had implemented the sustainability measures stated in the Project Appraisal Document to ensure that the gains made during the Project lifetime are not lost once the Project closes.
Reducing Climate Change Vulnerability of Local Communities in Uganda Through Ecosystems Based Adaptation (EBA) in Wetlands and Forest Ecosystem Project (For the year ended 31st December 2022)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of the expected cumulative disbursement of UGX 6,203,373,433, only UGX 2,011,845,286 was received representing a 32% performance. • Out of the thirty-nine (39) activities sampled worth UGX 5,586,488,492 (USD 1,538,400); eleven (11) activities worth UGX. 2,197,490,132 had been fully achieved, three (3) activities worth UGX. 725,546,282 had been partially achieved while twenty-five (25) activities worth UGX. 2,663,452,078 were yet to be achieved. • Out of the approved budget of UGX 3.75 Bn (US$ 1.02million) for the year 2022, UGX. UGX.0.91Bn (US$ 253,410) was received representing 24% performance. • Out of the total available funds of UGX 1.88 Bn (US$ 520,145) only UGX.1.84Bn (US$ was utilized resulting in unspent balance of UGX.0.04Bn (US$ 11,716) representing an absorption level of 98%. • I noted that some activities such as; Vulnerability impact and risk assessment and the market assessment for the western region were completed beyond the planned timeframe affecting implementation activities tagged on their completion. • I noted the entity received off-budget financing to a tune of UGX 0.92 billion.

Public Procurement & Disposal of Public Assets (PPDA)	Governance and security Private sector development	Unqualified	• The Authority had an approved budget of UGX.23.176Bn from the various programmes, out of which UGX.21.255Bn was warranted resulting in a shortfall of UGX.1.921Bn representing a 91.7% performance. • I assessed the implementation of six (6) outputs that had been fully quantified with a total of twelve (12) activities worth UGX.21.25Bn and noted that four (4) outputs with six (6) activities and expenditure worth UGX.12.38Bn were fully implemented, while two (2) outputs with seven (7) activities worth UGX.8.87Bn were partially implemented. • A total of 19 employees on the Main payroll had inconsistencies in their names, NINs and dates of birth captured in the payrolls and data captured by NIRA on the National Identity cards. • I noted that the Authority was not yet enrolled on the IPPS/HCM maintained by the Ministry of Public Service. • The Authority did not pay Social Security contribution of UGX.1.089Bn, which comprises 10% of the employer's contribution.
Public Procurement & Disposal of Public Assets (PPDA) Appeals Tribunal	Governance and security Private sector development	Unqualified	• I noted that Tribunal had an approved NTR estimates of UGX.15Mn for the FY 2022/2023, out of which UGX.11.1Mn was collected by year end, representing a 74% performance. • I noted that the Tribunal had an approved budget of UGX.4.815Bn from its one program out of which UGX.3.025Bn was released, resulting in a shortfall of UGX.1.790Bn representing an overall performance of 63%. • Audit noted that a total of 11 (100%) employees of the Tribunal who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • Audit noted the Tribunal had not opened the four (4) Regional Registries between July 2021 and June 2025 as per the Strategic plan.
Public Service Commission (PSC)	Public sector transformation	Unqualified	• There was under collection of NTR for the FYR 2022/2023 of UGX. 0.0017Bn, representing an 8.5% performance. • There was underutilization of the total warrants availed amounting to UGX.0.214 representing 2%. • I observed that the budgets for all six (6) outputs assessed were not supported by individual activity costing and budgets. • I noted that some Districts and Cities had not constituted Service Commissions, while others were functional but not fully constituted. • The Commission did not carry out the planned 145 performance assessments of DSCs/Local Governments.

			• I noted that the Commission had only developed competence profiles for four (4) MDAs, namely, Ministry of Public Service, Ministry of Defense and Veteran Affairs, Ministry of Gender, Labour and Social Development and Public Service Commission. • I undertook verification of the payroll and noted that out of 80 employees, a total of 79 (98%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • One (1) (2%) employee on the payroll did not appear for the validation and was confirmed as having transferred service. • One (1) individual whose name was not on the payroll appeared for the validation exercise with all pre-requisite documents and was captured as a new record. • Out of 21 employees on April 2023 salary payroll, a total of 21 (100%) were fully verified • A total of 10 employees on the main payroll had inconsistencies in their names and dates of birth captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • Out of the UGX.17,690,506,445 approved wage funds for the four financial years, only UGX.17,018,316,769 was spent resulting into unspent balances amounting to UGX.670,867,689 • Out of 107 approved positions, a total of 102 positions were filled leaving a gap of 5 vacant positions. • I noted that there was no IT risk management framework/policy in place. • I noted that the Commission did not upgrade the digitized processes during the year as it had planned. • I noted that despite having the automated recruitment system, the processes of submission of requests for recruitment by government entities, submission of appeals and disciplinary cases, conduct of oral interviews and preparation of minutes for approval by the Boards are manual and off the system.
Readying Uganda for Actualization of National Infrastructure Corridors and Physical Development Plan Operationalizati	Sustainable Urbanization and Housing	Unqualified	• There were no reportable issues.

on Project (Grant No TFOB 1264) - MoLHUD			
Refugees On the Move (ROM): South Sudanese in Ethiopia, Sudan and Uganda Project	Human Capital Development	Unqualified	• There are were no reportable issues
Regional Pastoral Livelihoods Resilience Project (RPLRP)	Agro-Industrialization	Unqualified	I noted that: • RPLRP prepared a concept note and project profile but these were not approved by the PS/ST. Pre-feasibility and a detailed feasibility study were prepared prior to execution of the project. • Out of the expected total disbursement of UGX.144Bn, the project only received UGX.135.356Bn resulting in undisbursed funds of UGX.8.643Bn. In addition, counterpart financing from the Government of Uganda had performed at UGX.1.268Bn instead of the budgeted UGX.2Bn as a result, Government has paid commitment fees amounting to UGX.0.068Bn. • Out of the sampled 5 activities worth UGX.82.952Bn, 4 activities worth UGX.53.682Bn had been fully achieved while 1 activity worth UGX.29.27Bn was yet to be achieved. • One (1) activity worth UGX.0.805Bn undertaken was not conducted in a timely manner. • Two (2) contractors undertaking contract works for the valley dams in Moroto and Kaabong districts are past the completion time but works are still significantly behind schedule.
Republic Of Uganda Mission in Kigali-Rwanda	Governance and Security	Unqualified	• The entity budgeted to collect NTR of UGX.60,000,000 during the year under review. Out of this, only UGX. 42,999,842 was collected, representing a performance of 71.67 % of the target. • The Mission had a budget or UGX.3.379 Bn which was all received, however UGX 3.217 Billion was absorbed resulting in unspent funds of 96.43%. • During the year under review, the Mission paid rent amounting to UGX.594,753,612.64 which is 18.48% of the total Mission expenditure for the year of UGX.3,217,632,489, in regard to rent which is very high.

			• Kigali Mission had Six (6) home-based staff on the June 2023 payroll, 5 based employees turned up for the payroll verification exercise and were verified (100%), one staff was added as a new record, the incoming Finance Attaché' • Kigali Mission had ten (10) local staff on the June 2023 payroll, all the 10 local based employees turned up for the payroll verification exercise and were verified (100%). • I established that, as per the June 2023 payroll of the Mission the total monthly base pays for Home staff in regard to Foreign Service Allowance (FSA) and Representation Allowance (RA) for the Home based staff was USD $ 17,169.58 and USD $ 1,000 respectively. • The total monthly base pay for complete- verified Local based employees was established to be net pay of USD $ 9,012.
Securing Uganda's Natural Resource Base in Protected Areas Project (SIDA)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of the total available funds of UGX.4.20Bn, the authority spent UGX.3.89Bn resulting in unspent balance of UGX.0.31Bn representing an absorption level of 92.7%. • I sampled twenty (20) activities worth UGX.4.16Bn and noted that not all the twenty (20) activities had been fully achieved. • A review of the project implementation by UWA revealed that the project had largely been completed with exception of two activities of printing of materials for Katoosa Martyr's Villa and supply of non-palatable onion seedlings.
Self-Management Among Adolescents Living With HIV In Uganda (SELF-MANAGEMENT) Project Of Mbarara University Of Science And Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.
Soroti Hospital	Human capital development	Unqualified	• According to the approved budget, the RRH was supposed to collect revenue to the tune of UGX. 200,000,000 however, by the end of the year only UGX. 114,826,500 had been collected representing 57% performance.

			• Out of the total warrants of UGX. 13,437,402,784 availed during the year, UGX. 11,516,106,981 was utilized by the hospital resulting in un-utilized warrants of UGX. 1,921,295,803 representing utilization of 86% • Assessment of the implementation of Seven (7) outputs with Thirty (30) activities worth UGX. 700,460,000 and noted that; out of the Thirty (30) activities, the hospital fully implemented fourteen (14) activities, twelve (12) activities were partially implemented, while Four (4) activities remained unimplemented. • Out of the total warrants, UGX. 7,589,328,869 was utilized by the Soroti RRH resulting in un-utilized warrants of UGX. 832,407,131 representing utilization of 90% as summarized in the table below. • Soroti RRH had 257 employees on the IPPS payroll of which 245 (95%) were fully verified, 0 (0%) partially verified, 1 (0%) not verified, and 11 (5%) did not show up. • A total of 42 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs. • Out of 1,188 approved positions, a total of 952 positions were filled leaving a gap of 236 vacant positions. • A review of four contracts worth UGX. 187,461,805 revealed irregularities in the bid submission documents for the suppliers awarded the contracts. These included expired and missing documents and instances of award to suppliers prequalified to supply different/other goods and services.
Soroti Fruits Limited (SOFTE)	Agro-Industrialization	Unqualified	• Out of 325 approved positions, a total of 96 positions were filled leaving a gap of 229 vacant positions (70%). • SOFTE was producing some products at high costs compared to sale price, raising sustainability issues. • There was a significant turnover in key personnel within the factory who included Manager of Production, Assistant Manager of Production, Human Resources Officer (HRO), and a Key Engineer, which points to challenges in the company's ability to effectively operate and retain staff.
Soroti University	Human capital development	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX 0.632Bn during the year. However, by the end of the year only UGX 0.584Bn had been collected representing a 92.4% performance. • The entity had an approved budget of UGX 24.758Bn from the various programmes out of which UGX.22.685Bn was warranted resulting in a shortfall of UGX 2.073Bn representing a 91.6% performance.

			• Out of the total warrants of UGX 22.685Bn availed to the entity during the year, UGX.19.883Bn was utilized resulting in un-utilized warrants of UGX 2.802Bn representing 87.7% utilization. • I reviewed the Budgets and Actual Expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX 47,557,418,288 Budgeted and approved wage funds for the four financial years, only UGX41,522,656,339 was spent giving rise to unspent balances amounting to UGX 6,034,761,949. • Salary arrears for 14 employees worth UGX. 160,730,829 were not paid over the period between 2019/20 to 2022/23. • Out of 1,312 approved positions, a total of 242 positions were filled leaving a gap of 1,070 vacant positions. • I noted that whereas the University received funds amounting to UGX. 17,215,667,288 to cater for wage from the Central Government, the University did not receive the corresponding wage allocation for Social benefits of UGX. 1,721,566,728 (10% of the approved wage as NSSF contribution) from the Central Government. The university was guided by MoFPED to budget for 10% NSSF cost under non-wage (Code 212101) despite it being a wage cost. • I noted that Soroti University did not have a comprehensive job description manual.
South Western Cluster Water and Sanitation Project of National Water and Sewerage Corporation	Natural Resources, Environment, Climate Change, Water and Land Management	unqualified	• Out of Euros 6M that GoU was supposed to contribute over the two-year period (July 2021 – June 2023), only Euros 9,000 (0.15%) was remitted. This contrasts with AFD's contribution of Euros 54.7 M (45.6%) of the expected Euros 120 M in the same period. • There were no land titles for six (6) pieces of land which were purchased and where the project operations were located.

State House	Governance and security Innovation, technology development and transfer	Unqualified	• State House budgeted to collect NTR of UGX.120Millions during the year. However, by the end of the financial year, the entity had not collected any NTR. • The entity had an approved budget of UGX.869,167,484,988 from the various programmes out of which UGX.835,498,733,793 was warranted resulting in a shortfall of UGX.33,668,751,195 representing a 96% performance. Out of the total warrants of UGX.835,498,733,793 availed to the entity during the year, UGX.834,250,665,133 was utilized resulting in un-utilized warrants of UGX.1,248,068,660 representing 99.9% utilization. • I observed that budgets for all eight (8) outputs assessed were not supported by the individual activity costing and budgets. • Out of 1,278 employees on State House February 2023 salary payroll, a total of 1,221 (96%) were fully verified while 57 (4%) did not show up for validation. A total of 70 individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. • Out of 1274 approved positions, a total of 1,331 positions were filled leading to an excess of 57 positions as per the approved establishment. • Included in the total expenditure of UGX.834,250,665,133 is expenditure worth UGX.292,418,401,000, which relates to classified expenditure. In compliance with Section 24 of the Public Finance Management Act, 2015 (Classified Expenditure), this expenditure is audited and reported on separately. • During the Financial Year 2022/2023, UGX.25,010,000,000 was warranted under Vote 001 (Office of the President) and the entity spent UGX.4,347,858,825, leaving a balance of UGX.20,662,141,175. The balance of UGX.20,662,041,175 was transferred to Vote 002 (State House) and is still held on account No.000020148000003 in the names of Science, Technology and Innovation operations in Bank of Uganda • During the financial year under review, UGX.189,769,124,810 was warranted to State House (Vote 002). Out of which UGX.96,369,551,184 was spent to undertake various activities leaving a balance of UGX.93,399,573,626 on STI account in State House. The unutilized funds of UGX.93,399,573,626 was also still on account No.000020148000003 in the names of Science, Technology and Innovation operations in Bank of Uganda as at 30th June 2023. • I noted that the Sericulture-TRIDI project had four plots of land in Kween, Bulambuli, Kayunga and Nwoya measuring approximately 870 acres as at the reporting date. However, TRIDI did not have titles for all the four (4) pieces of land. • An inspection of TRIDI Projects carried out in October 2023 revealed that all projects had stalled.

Randomized Clinical Trial of Early Empiric Anti-Mycobacterium Tuberculosis Therapy for Sepsis in Sub-Saharan Africa (Atlas Trial) Project of Mbarara University of Science and Technology (Must)	Human Capital Development	Unqualified	• There were no reportable issues.

Resource Enhancement and Accountability Programme (Reap) Ministry of Finance, Planning and Economic Development	Development Plan Implementation	Unqualified	• There were no reportable issues.

Strategic Towns Water Supply and Sanitation Project (STWSSP) Implemented by Ministry of Water and Environment	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• I sampled eighteen (18) outputs with eleven (18) activities and noted that targets for six (6) activities had been fully achieved, targets for 8 activities had been partially achieved while 4 activities were yet to be achieved. • The project had an approved budget of UGX.51.35Bn for the financial year 2022/2023 out of which UGX. 61.93Bn was available for spending resulting in excess receipts of UGX.10.58 Bn representing 120.6% performance. • Out of the total available funds of UGX. 61,958,103,355, only UGX.60, 562,511,646 was spent representing an absorption level of 97.8%.
Strengthening Adaptive Capacity and Resilience of Communities in Uganda's Watersheds-Awoja Catchment (SACRIAC)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of the total expected cumulative disbursements of USD295,004only USD123,475was disbursed resulting in a shortfall of 171,529 representing a performance of 41.9% • I sampled twelve (12) activities worth USD 88,741.20 and noted that targets for two (02) activities worth USD.7, 682 had been fully achieved while targets for the remaining ten (10) activities worth USD 81,058.41 were yet to be achieved. • The project had an approved budget of USD 295,004 for the financial year 2022/2023 out of which USD 123,475[12]was available for spending resulting in a shortfall of USD 171,529 representing 41.86%. • Out of the total available funds of UGX. 453,911,500, UGX. 447,902,750 was spent resulting in unspent balance of UGX. 6,008,750 representing absorption level of 98.68%.
Strengthening National Institutional Capacity in Sound Management of Chemicals and Waste in Uganda Project for The Half Year Period	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of USD 112,923.05 available to spend, only USD 46,285.61 (41%) was spent by the project, resulting in under absorption of USD 66,637.44 • Out of the three (3) planned outputs, only two (2) were fully implemented while one (Establishing and operationalizing a multi-sectorial technical committee on SMC) was partially implemented. • NEMA did not submit the financial statements for audit in time (submitted on 4th November 2022) which results in delay to submit to UNEP, contrary to the Project Cooperation Agreement.

Ended 31st December 2018			
Strengthening National Institutional Capacity in Sound Management of Chemicals and Waste in Uganda Project For The Financial Year Ended 31st December 2019	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• A total amount of USD 37,341.81 from the prior period's balance of USD 68,615.38 was spent, resulting in under absorption of USD 31,273.57 (46%). • Out of the six (6) planned outputs, only two (2) were fully implemented while the remaining four (4) were either partially or not implemented at all. • NEMA failed to submit Financial Statements within six months contrary to the requirements of Section 1 of Clause XII of the Project Cooperation Agreement. I noted that the financial statements were submitted for audit on the 4th of November 2022.
Strengthening National Institutional Capacity in Sound Management of Chemicals and Waste in Uganda Project for The Financial Year Ended 31st December 2020	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of USD 116,323.22 available to spend, USD 58,747.59 (51%) was spent, resulting in under absorption of USD 57,575.63. • Out of the five (5) planned outputs, only one (1) was fully implemented while two (2) outputs with three (3) activities worth USD 22,703.93 were partially implemented and the other two (2) with two (2) activities were not implemented at all. • NEMA failed to submit Financial Statements within six months contrary to the requirements of Section 1 of Clause XII of the Project Cooperation Agreement. I noted that the financial statements were submitted for audit on the 4th of November 2022.
Strengthening National Institutional Capacity in Sound Management of Chemicals and Waste in Uganda Project	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of USD 91,370.37 available for spending, USD 43,010.06 (47%) was spent, resulting in under absorption of USD 48,360.31. • Out of the five (5) planned outputs, only one (1) was fully implemented while four (4) outputs with nine (9) activities worth USD 40,520.4 were either partially or totally unimplemented. • NEMA failed to submit Financial Statements within six months contrary to the requirements of Section 1 of Clause XII of the Project Cooperation Agreement. The financial statements were submitted for audit on the 4th of November 2022.

for The Financial Year Ended 31st December 2021			
Strengthening National Institutional Capacity in Sound Management of Chemicals and Waste in Uganda Project Ended 31st December 2022	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of USD 48,359.77 available for spending during the financial year under review, USD 47.369.44 (98%) was spent by the project resulting in under absorption of USD 990.33. • Out of the four (4) planned outputs, only two (2) were fully implemented while some activities in the remaining two (2) were either partially or not implemented at all. • By the time of audit (February 2023), USD 226,900 (91%) had been received for implementation of activities as opposed to USD 250,005 supposed to have been received in the 5-year project period. • One of the key activities of the project (establishing & operationalizing a MSTC on chemicals & management) had been partially achieved, while another (establishment of a national database on chemicals and waste) had not been implemented at all, despite the project having reached the end date of 31st December 2022.
Strengthening the Management of the Oil and Gas Sector in Uganda Phase III (SMOG)	Sustainable Development of Petroleum Resources	Unqualified	• I noted that out of the total expected disbursements of USD 2,406,286, the programme realized USD 1,106,447 representing a performance of 46%. GOU did not disburse the expected counterpart funding of USD 1,256,000. • Out of the 6 activities assessed, 1 activity was fully implemented, 1 was partially implemented while 4 not implemented. • The programme did not budget to receive any funds during the year, however out of the brought forward balance of UGX 445,245,198 from the financial year 2021/2022, UGX 322,449,450 was spent representing an absorption level of 72.4%.
Support to National Capacity Building and Greater Kampala Metropolitan Area Economic Development Project (Grant No.TF0B1265)	Public Sector Transformation	Unqualified	• I sampled 19 activities worth USD.1,581,917 and noted that targets for 15 activities worth USD.1,530,732 had been fully achieved while targets for the remaining three (3) activities worth USD.25,985 were yet to be achieved. • I noted that the Uganda National Spatial Data Infrastructure (UGSDI) Policy was not yet approved by Cabinet. This denies the country the benefits of having an integrated evidence-based development planning framework.

Surveillance of Emerging Pathogens and Antibiotic Resistances in Aquatic Ecosystems (SARA) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.
Tax Appeals Tribunal (TAT)	Administration of Justice	Unqualified	• The Tribunal's approved budget was UGX.7.628Bn. However, the entity received UGX.6.984Bn, resulting into a shortfall of UGX.0.643Bn, representing an 8% of the approved budget. Shortfalls negatively impact on service delivery, since the entity is not able to fully implement all the approved activities. • Out of 22 employees on the Tax Appeals Tribunal March 2023 salary payroll, a total of 22 (100%) appeared for the validation exercise and presented all the pre-requisite documents/information and were fully verified. • The Tribunal has been earmarked for rationalisation. This indicates the existence of a material uncertainty that may cast significant doubt about the Tribunal's ability to continue as a going concern. • Out of 368 cases, 19 cases were ruled, 91 cases were consented to, 6 cases remitted back to URA, 40 cases were withdrawn and 212 cases remained outstanding. The reason for the high numbers of pending cases in the year, is because the Tribunal members are limited in number which has an effect on their ability to hear and make timely rulings for all the tax appeals the Tribunal receives. • Of the additional four members appointed to the Tribunal, two appeared not to possess the minimum qualifications and are therefore not qualified to become members of the Tribunal.
The Biennial Update Report (BUR)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of the expected total disbursements of USD 342,000 only USD 310,575 (91%) was disbursed. • Out of the total available funds of US$ 7,928, US$ 7,405 was spent representing an absorption level of 93%. The unspent funds of US$ 523 were still held on the project bank accounts in BOU.

The Fund Accountability Statement of Young Africa Works Uganda – Lead Firm Structure Project (YAWUG-LFS)	Development Plan Implementation	Unqualified	• I draw attention to Note 5.3.1 to the Fund Accountability Statement, which describes the basis of accounting. The Fund Accountability Statement is prepared to assist Private Sector Foundation Uganda in complying with the financial reporting provisions of the contract referred to above. As a result, the Fund Accountability Statement may not be suitable for another purpose. • I also draw attention to the fact that the supplementary information presented in United States Dollars (USD) does not form part of the audited Fund Accountability Statement.
The Glaucoma Screening and Treatment Project for South Western Uganda (GLAST) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.
The Influence of Air Pollution on Lung Health Among People Living with HIV (CAD Lung) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.

The Italian Support to The Ugandan Health Sector Strategic Plan III (HSSPIII) and The Peace, Recovery and Development Plan (PRDP)	Human Capital Development	Unqualified	• A project concept paper was prepared for the project to ensure that the project idea is consistent with the national development priorities as specified in the NDP and to control duplication of interventions. • Whereas the project profile was developed, its implementation suffered lots of challenges mainly due to the insurgency in the Karamoja region. • The Ministry of Health did conduct both a pre-feasibility study and detailed feasibility study prior to execution of the project The Italian Support Project had not yet exited the Public Investment Plan (PIP) as recommended by the Development Committee. • The total disbursements for the Project as per the financing agreement were less than expected by EUR.33,959 in respect of GOU counterpart funding. • Fifty-four (54) out of sixty-eight (68) staff house units had been constructed by the time of audit. • The project had an approved budget of UGX.3.628Bn for the financial year 2022/2023 out of which UGX.2.65Bn was available for spending (representing 73% performance). • Out of the total available funds of UGX.2.65Bn only UGX.0.607Bn was spent resulting in unspent balance of UGX.2.043Bn (representing an absorption level of 23%). • Management had not put in place sustainability measures to ensure that the gains made during the project life time are not lost once the project closes.
The Linking Sustainable Bio-Organic Farming Techniques to Youths Employability and Product Value Addition in Southwestern Uganda (ISOFT) Project of Mbarara University of Science and	Human Capital Development	Unqualified	• There were no reportable issues.

Technology (MUST)			
The Scaling Up Mama Toto for Sexual Reproductive Health And Rights (HAY) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.
The Teacher Training Education (TTE) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development	Unqualified	• There were no reportable issues.
The Third National Communication Project Implemented by Ministry L Communication Project Implemented by Ministry of Water and Environment (TNC)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• I noted that a concept note was not prepared for the project against the development committee guidelines. • The Accounting Officer did not prepare the project profile for this project. • I noted that neither pre-feasibility study nor detailed feasibility study were undertaken prior to execution of the project. • The project had an approved budget of USD 129,310.76 for the financial year 2022 out of which USD 121,243.62 was available for spending resulting in a shortfall USD 8,067.14 representing 93.76% performance. • Out of the total available funds of USD.121,243.62, only USD.95,629.53 was spent resulting in unspent balance of USD.26,614.09 representing an absorption level of 78.87%.

The Transition Readiness Project of Mbarara University of science and technology for the period 1st July 2021 to 31st August 2022	Human Capital Development	Unqualified	• Analysis of the income and expenditure statement revealed that USD.16,479 (70%) of the budget was received, resulting into a shortfall of USD.6,945 (30%).
THRIVE-2 Project of Makerere University	Human Capital Development	Unqualified	• Out of the total receipts of £819,840.51 for the period under audit, £786,574 was spent by the project resulting in an unspent balance of £33,266 representing under absorption of 4.06%. • The project ended in March 2022, but management did not provide details of its assets and location to the University as required by the grants policy
Tirinyi-Pallisa-Kumi/Pallisa-Kamonkoli Road Project (111kms) (IDB Loan Uga-0092) Implemented by Uganda National Roads Authority (UNRA)	Integrated Transport Infrastructure & Services	Unqualified	• Project Performance • Audit established that out of the total expected disbursement of USD 120,000,000 as of 30th June 2023, a total of USD 109,876,360 was disbursed resulting into undisbursed funds of USD 10,123,640. • Out of the expected GoU counterpart funding of UGX.155,876,400,000, a total UGX.237,299,476,710 was disbursed as at 30th June, 2023 resulting into an over disbursed funds of (UGX) 81,423,076,710. • Out of the seven (7) planned activities, I noted that only five (5) activities were fully implemented while the remaining two (2) activities were partially implemented. The partially implemented activities relate to land acquisition/compensations. • Absorption of Project Funds • Audit established that out of the total available GoU funds of UGX.39,820,430,845, only UGX.39,259,368,442 was spent resulting in unspent balance of UGX.561,062,403 representing an absorption level of 98.6%. The unspent funds were swept back to Treasury at the end of the financial year. • Payment of Arbitration Awards • There were two (2) Arbitration awards decided in favour of a Contractor and a Consultant amounting to UGX.27,119,434,165 due to wrongful termination of contracts by UNRA. By 30th June 2023 UGX.19,824,870,029 had been paid to the

			Contractors and UGX.7,294,564,136 due to Consultant remained outstanding. The amount includes UGX100,000,000 awarded as damages, which is wasteful. • Delayed payment of PAPs • UNRA has outstanding land compensation payments of UGX.7,485,209,351 for 189 PAPs yet the project has ended
Transformative Education and Lifelong Learning for Sustainable Growth (TELLS) Project No. 62040 Under NORHED II Programme	Human Capital Development	Unqualified	• There were no reportable issues.
Treasury Operations (TOP)	Development plan implementation	Unqualified	• Treasury Operations had no approved NTR estimate for the FY 2022/2023, however, a collection of UGX.10.075Bn as NTR from non-exchange transactions and UGX.200.949Bn as NTR from exchange transactions was realised. • TOP had an approved/revised budget of UGX.16.812.16Bn out of which UGX.16.647.31Bn that was appropriated leading to a shortfall of UGX.164.848Bn, representing a 99.90% performance. • TOP (Vote 130) lacked a vote specific strategic plan. • A total of UGX.1.4Tn were appropriated to TOP as supplementary funding, in the first quarter of the FY 2022/23 of which a total of UGX.777Bn. • In addition, TOP received a total supplementary budget of UGX.46.153Bn to cater for commitment fees, of which only UGX.21.707Bn was warranted and UGX.14.684Bn was spent. • There was an increase in domestic arrears, from UGX.4.583Tn in 2021/22 to UGX.6.144Tn in 2022/23. • A continued failure to recover a total of UGX.10.4Bn from nineteen (19) entities that received grants from Government. • The payments totalling UGX.286.042 was to the contractors for the International Specialised Hospital in Lubowa was based on unsupported milestone completion certificate. • Failure to adequately budget for mandamus/court awards. Out UGX.1.473Bn. book balance in court awards and compensation, UGX.106.6Bn was appropriated and UGX.106.6Bn was warranted.

Trypanogen Project	Human Capital Development	Unqualified	• The project's fund accountability statement revealed that out of the available grant of US $930,516.38 only US $539,937.65 was expended resulting unspent funds of US $390,578. (41.97%.)
Uganda Energy Credit Capitalisation Company Limited	Energy Development	Unqualified	• No material issues to report.
Uganda TB Risk by Alcohol Consumption (TRAC) Project of Mbarara University of Science and Technology (MUST)	Human Capital Development		• There were no reportable issues.
Uganda Tourism Board (UTB)	Tourism development	Unqualified	• The entity budgeted to collect NTR of UGX.0.28Bn during the year under review of which UGX.0.20Bn was collected, representing an overall performance of 72% of the planned collection target. • The entity had an approved budget of UGX.26.451 Bn from its one program out of which UGX.18.885 Bn was warranted resulting in a shortfall of UGX.7.566 Bn representing an overall performance of 71.40%. • Out of the total release of UGX.18.885Bn availed to the entity during the year, UGX.17.960Bn was utilized resulting in unutilized warrants of UGX.0.925 Bn representing 95.10% utilization. • The strategic plan 2020/21-2024/25 forecasts indicated a 45.85% variance in the funding requirements for the year under review. • Out of 80 approved positions, a total of 36 positions were filled leaving a gap of 44 vacant positions, which negatively affects service delivery. • The Uganda Tourism Board was implementing an organizational structure, salary structure, and Human Resource policy that had not been approved by the Ministry of Public Service contrary to the Public Service requirements.
Uganda Aids Commission (UAC)	Human capital development	Unqualified	• Out of UGX.18Bn that was availed to Uganda AIDs Commission following the revision of its budget, only UG.15.2Bn was warranted representing 84% performance.

			• All the 59 employees on the February 2023 payroll of the Commission showed up for the physical headcount and were fully validated after presenting the pre-requisite documents/information for validation. • All the five (5) temporary staff at the Commission were fully verified. • All the five (5) outputs assessed worth UGX.5.342BN were not supported by individual activity costing and budgets. • 59 positions out the 82 established posts were filled resulting into 23 positions to be vacant. • A direct procurement of a supplier for printing of IEC materials worth UGX.21,110,000 was made without following procurement regulations.
Uganda Air Cargo Corporation (UACC)	Integrated Transport and Infrastructure Services	Unqualified	• The Corporation has 53 employees who were all fully validated. I further noted that the Corporation has 30 vacant posts while employees have no Board minutes appointing them. • Nine (9) employees were paid without approved salary scales. • The Corporation under-utilized the wage budget in the last four years by UGX.6,265,277,431 • The Corporation has long outstanding receivables amounting to UGX.16,609,540,675. Of this, over UGX.8,063,945,000 representing 49% has been outstanding for a period of more than five (5) years. • The Corporation has long outstanding payables amounting to UGX.7,468,544,782. • The Corporation continued to make losses posting a loss of UGX.10.49Bn in the current year. The Corporation had a liquidity ratio which is higher than the recommended ratio, while a significant proportion of the Corporation's assets is financed by debt. • I noted delays in repairing the Corporation's aircraft L100-30 and this affects the Corporation's performance.
Uganda Blood Transfusion Service (UBTS)	Human capital development	Unqualified	• Out UGX. 0.03Bn the entity budgeted to collect in NTR during the year under review, only UGX.0.013Bn was collected 43% performance. • Out of the total warrants of UGX.24.353Bn availed to the entity during the year, UGX.23.147Bn was utilized resulting in un-utilized warrants of UGX.1.206Bn representing 95% utilization. • Out of 298 employees on UBTS February 2023 salary payroll, a total of 293 (98%) were fully verified and the 5 (2%) employees who did not show up were accounted for as having exited the entity. • A total of eighty-six (86) employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards.

			• Out of UGX.224.442bn availed for wages for the four financial years (FY 2019/20-2022/23), only UGX.23.789Bn was spent giving rise to unspent balances amounting to UGX.0.653Bn. • There was an over remittance of statutory deductions by UGX.0.0017Bn and under-remittance of statutory deductions by UGX.0.158Bn during the four-year period. • UBTS relied on volunteers to fulfil its mandate and facilitated them with monthly allowances totalling UGX.0.482Bn during the four-year audit period. • Out of the 424 approved positions, a total of 299 positions were filled leaving a gap of 125 vacant positions. • Out of the budget requirement of UGX.68.031Bn for the essential medicines and health supplies at NMS for the year under review, only UGX.39.89bn was provided resulting into a funding gap of UGX.28.14Bn.
Uganda Broadcasting Corporation (UBC)	Community Mobilization and Mind-set Change	Unqualified	• The entity budgeted to collect NTR of UGX.10Bn but collected UGX.14.45Bn representing a performance of 144 % of the target. The performance was attributed to low targets. • The entity budgeted to receive UGX.24.07Bn from GoU out of which UGX.8.8Bn was received, resulting in a shortfall of UGX.15.27Bn (63.4%). • Out of 271 employees on UBC's March 2023 salary payroll, a total of 270 (99.63%) were fully verified, while 1 (0.37%) did not show up. • Out of 188 employees on short term on UBC's March 2023 salary payroll, 179, (95%) were fully verified and 9(5%) did not show up. Those who did not show up were recommended to be removed from the Payroll. • Out of 379 approved positions, a total of 226 positions were filled leaving a gap of 170 vacant positions. In addition, 8 positions were over-filled. • The Corporation had procurements worth UGX.11.19Bn but monthly reports to PPDA indicated that procurements worth UGX.0.026Bn were undertaken during the period of twelve months. • The tax obligations increased by 12.6% from UGX.18.16Bn reported last year to UGX.20.38Bn in the current year. • The Corporation had a total outstanding NSSF obligation of UGX.46.671Bn as of 30th June 2022 in the entity's financial statements.
Uganda Bureau of Statistics (UBOS)	Development plan implementation	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX.49Mn, but collected UGX.130Mn representing a 260% performance. • Out of the total warrants of UGX.75.75Bn availed to the entity during the year, UGX.70.66Bn was utilized resulting in un-utilized warrants of UGX.5.1Bn representing 94.3% utilization.

			• During assessment of the implementation, I observed that while there were a majority of activities fully implemented, four (4) outputs with one hundred thirty-three (133) activities worth UGX.7.52Bn were partially implemented. Out of the one hundred thirty-three (133) activities, the entity fully implemented fifty (50) activities; fifty-four (54) activities were partially implemented, while twenty-nine (29) activities remained unimplemented while Six (6) outputs with fifty-one (51) activities worth UGX.5.09Bn were not implemented at all. • A total of 96 (19%) short term employees on the payroll did not appear for the validation and were categorised as follows; - A total 96 employees who were paid UGX.91Mn were confirmed to have had expired contracts by the time of validation. The total amount paid to the affected staff was prior to their exit from the Bureau. These were removed from the payroll in consultation with the Accounting officer. - A total of 6 individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. These individuals were included on the validated payroll, upon confirmation by the Accounting Officer regarding their status. • A total of 30 employees on the Main payroll had inconsistencies in their dates of birth captured in the main payrolls and data captured by NIRA on the National Identity cards. • I reviewed the Budgets and Actual Expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX.91.219Bn Budgeted and approved wage funds for the four financial years, only UGX.87.853Bn was spent giving rise to unspent balances amounting to UGX.3.367Bn. • During the audit exercise, it was noted that six (6) employees who were on the submitted staff list of UBOS, were also employed and validated in other Government agencies while at the same time under employment of UBOS. • Underutilisation of PDM Funds: Out of the total receipts of UGX.3.999Bn, UGX.2.903Bn (72.6%) was spent by the entity resulting into un-utilized PDM funds of UGX.1.328Bn. • I noted that UBOS had just been granted access to the collected household data in August 2023 since inception of the PDM data collection in June 2022 and therefore was not able to process and validate any data in the FY 2022/2023. • I noted that the preparatory activities for 2023 National Population and Housing Census were delayed majorly due to funding challenges. • A review of the staffing structure for UBOS revealed that out of the total approved staff establishment of 401 staff, there are 341 (85%) staff currently recruited, leaving 60 (15%) positions vacant. During the financial year 2022/2023.

			• I noted that procurements with a total value of UGX.0.514Bn were not implemented as planned.
Uganda Business and Technical Examination Board	Human capital development	Unqualified	• The entity had an approved budget of UGX.35.26Bn from the various programmes out of which UGX.33.37Bn was warranted resulting in a shortfall of UGX.1.89Bn representing a 95% performance. • I noted that for the period of four financial years ;2019/20 to 2022/23 the entity utilised UGX. 19,462,081,421 out of a total approved budget of the UGX. 20,123,200,564 giving rise to unspent balance of UGX. 661,119,143 representing 96.7% performance. • I noted that out of 205 approved positions, a total of 104 positions were filled leaving a gap of 101 vacant positions. • I noted that the Board had outstanding payables of UGX. 2,135,333,060
Uganda Communication s Commission (UCC)	Digital Transformation	Unqualified	• The entity had an approved budget of UGX.168.09Bn, out of which UGX.166.12Bn was realised. • Out of the total funds of UGX.228.8Bn available to the entity, UGX.146.3Bn was utilized resulting in un-utilized funds of UGX.82.3Bn representing 60% utilization. • Procurements worth UGX.33.2Bn were not undertaken despite realizing the budget. This delays service delivery. • The entity has not revalued its assets for over 5 years. There is a risk that these assets are presented at values that are less than their fair values. • Out of 191 employees on the Uganda Communications Commission's February 2023 salary payroll, a total of 186 (97%) were verified while 5 (3%) did not show up. • A review of the Budgets and Actual Expenditure for the period 2019/20 to 2022/23 revealed that out of the UGX.95.97Bn budgeted and approved wage funds for the four financial years, only UGX.82.4Bn was spent, giving rise to unspent balances amounting to UGX.13.57Bn. Failure to utilize the budgeted wage funds implies unrealistic budgeting in respect of the wage bill and locks resources which could have been used to deliver other public services.
Uganda Cancer Institute (UCI) ADB support to Uganda	Human capital development	Unqualified	• Out of the approved budget of UGX.11.66 Bn for the financial year 2022/2023, only UGX. 1.99Bn was realised representing 17% performance. This was due to the delayed award of a successor contractor after the expiry of the original contract. • Advance payment guarantees for the advance payments totaling USD 1,511,208 had expired due to the delayed completion of the multipurpose building which also deferred the supply and installation of ICT Equipment for Training and Telemedicine, a Magnetic Resonance Imaging System (MRI) and Medical Laboratory Furniture.

Uganda Cancer Institute (UCI)	Human capital development	Unqualified	• UCI had an approved budget of UGX.48.756Bn which was all warranted. • Out of 282 permanent employees on February 2023 salary payroll, a total of 277 were fully verified while five (5) did not show up. • Out of 111 contract employees on the February 2023 salary payroll, a total of 105 were fully verified while six (6) did not show up. • 60 employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured by NIRA on the National Identity cards. • Salary overpayments of UGX.403,155,403 and underpayments of UGX.37,184,705 occurred. • 1750 approved positions, a total of 283 positions were filled leaving a gap of 1467 vacant positions. • Long Outstanding obligations amounting to UGX.17,350,310,836 were reported. • Completion of Construction of 350 Bed hospital and renovation of the six level building at a contract price of UGX.69,676,552,693 was behind schedule with 11.6% works completed by September 2023 after two thirds of the project elapsed time.
Uganda Civil Aviation Authority (UCAA)	Integrated Transport and Infrastructure Services	Unqualified	• Although UCAA budgeted to collect internally generated revenue of UGX.239,132,112,000 during the year, UGX.280,896,609,000 was collected comprising revenue from operations and financing activities representing a 117.5% increase in revenue performance. • Under GOU funding, out of an approved budget of UGX.3,000,000,000 to cater for the aerodromes, only UGX.2,475,000,000 was warranted resulting into 82.5% performance. • I observed that the budgets for six (6) outputs were not supported with individual activity costing, mainly in the Directorate of Safety, Security and Economic Regulation (DSSER). • I assessed the implementation of eighty-five (85) outputs that had been fully quantified with a total of one hundred thirty-six (136) activities worth UGX.211.82Bn and noted that; 34 outputs with 59 activities worth UGX.30.2Bn were fully implemented, 19 outputs with 44 activities worth UGX.9.1Bn were partially implemented while 32 outputs with 33 activities worth UGX.172.54Bn were not implemented at all. • Out of 1,060 employees on Uganda Civil Aviation Authority April 2023 permanent staff salary payroll, 1,002 (94.5%) were fully verified, 45 (4.2%) partially verified, while 13 (1.2%) did not appear for headcount. • Out of 247 employees on the Uganda Civil Aviation Authority April 2023 contract staff salary payroll, 220 (89.1%) were fully verified, 18 (7.3%), while 9 (3.6%) did not appear for headcount.

			• The Authority recruited 136 staff on contract and permanent basis with a monthly remuneration totalling to UGX.254,579,391 without evidence of interview assessment. • 79 staff were appointed to various positions without meeting the minimum required qualification for the positions. • I observed that the Authority had neither confirmed nor terminated nine (9) employees who had served a period more than the maximum mandatory probationary period of 12 months. • I established that 626 staff had their personal files without evidence of regular performance appraisals. • A comparison of the Authority's approved estimated wage bill for validated staff for FY 2023/2024 of UGX.92,540,259,000 with the recomputed payroll costs of UGX.48,056,128,363 revealed that the Accounting Officer over-estimated the wage cost by UGX.44,484,130,637. • I carried out ratio analysis of financial information and observed that the Authority has made significant financial recovery and improvement in its ability to sustain the provision of services. • The Authority did not sign tenancy agreements with the cargo handling companies for the occupancy at the new cargo terminal at Entebbe international Airport despite the allocation of space to the handling companies. • Advance payment guarantee and performance security for the contract for resurfacing of the public car parks at Entebbe international airport expired on 21st June 2023 and 19th July 2023 respectively without renewal yet works were still on-going. • Performance securities for three contracts and insurance cover for one project that would have protected UCAA against non-performance of contractors were not availed for audit review.
Uganda Coffee Development Authority (UCDA)	Agro-industrialization	Unqualified	The following was observed; • UCDA budgeted to collect NTR of UGX.50.82Bn during the year under review but realized UGX.61.175Bn representing a performance of 120% of the target. • UCDA had a budget of UGX.64.940Bn, out of which UGX.39.321Bn was warranted, resulting in a shortfall of UGX.25.619Bn. Out of UGX.39.321Bn warranted, only UGX.37.67Bn was spent resulting in an unspent balance of UGX.1.65Bn representing an absorption level of 96%. • The budgets for one (1) output "Support to Coffee Research" was not supported by individual activity costing. • Eight (8) sampled quantified outputs with a total of 92 activities worth UGX.18.567Bn revealed that all the eight (08) outputs were partially implemented.

			Out of the 92 activities, the entity fully implemented five (5) activities; 42 activities were partially implemented, while 45 activities remained unimplemented. • UCDA did not have accurate and reliable data on performance of the coffee yields and incomes. • There were inconsistencies between the quantities of fertilizers reported as distributed by the Authority and the actual quantities received as per interviews for a sample of 23 farmers. • UCDA delivered fertilizers towards the end of the rainy seasons which led to late application and affected effectiveness of the fertilizers. • Farmers were not adequately trained on the use and application of the fertilizers which resulted in farmers applying fertilizers the wrong way. • 34 (42%) of the 81 farmers inspected received fertilizers and yet they had not expressed interest/demand for the fertilizers which was irregular • 70 (86%) farmers out of 81 farmers inspected were trained but still did not follow the prescribed fertilizer application procedures which affected the effectiveness of the fertilizers • Out of 81 farmers interviewed, 51 (62%) did not receive training and sensitization on the benefits of coffee rehabilitation, stumping and fertilizer application which affected the performance of the fertilizers. • Out of 163 employees of UCDA February 2023 salary payroll, a total of 159 (97%) were fully verified, 1 (1 %) partially verified, while 3 (2%) did not show up • Out of the UGX.34.787Bn approved wage funds for the four financial years 2019/20 to 2022/23, only UGX.32.179Bn was spent giving rise to unspent balances amounting to UGX.2.608 Bn. • Nine (9) employees on the Authority payroll were above the statutory retirement age of 60 years and should have been removed from the entity's Payroll. • Out of 227 approved positions, 164 (72%) were filled, leaving a gap of 63 (28%) vacant positions as per the establishment. • UCDA is not enrolled on the IPPS/HCM. • UCDA had unsettled domestic arrears as at 30th June 2023 amounting to UGX.49.9Bn. • Cases of value in excess of UGX.8Bn were pending resolution before the Courts of Law.

Uganda Consulate in China, Guangzhou	Agro-industrialization Governance and security Manufacturing Mineral development Tourism development	Unqualified	The following was noted; • The Consulate's budget was to collect NTR of UGX. 36,666,000 during the year under review, only UGX.4,503,523 was collected as reported in the financial statement, implying that the NTR collected represented a performance of 12% of the planned target. • The entity had an approved budget of UGX.4.561Bn from the various programmes which was all warranted representing a 100% performance. • Out of the UGX.4.561Bn warranted during the year, UGX.4.444Bn was utilized resulting in un-utilized warrants of UGX.117m representing 97.4% utilization. • Despite the Consulate receiving 100% of its budget, I noted that many budgeted outputs were not achieved. • I reviewed the Consulate Strategic Plan 2020/2021 – 2024/2025 and compared it with the Annual work plan for 2022/23 and noted that many planned activities for the year under the same programs do not match. • Out of 5 Home based employees on Guangzhou Consulate June 2023 salary payroll, a total of 5, (100%) were fully verified with a total monthly salary of USD 13,485.23. • Out of 6 local based employees on Guangzhou Consulate, China June 2023 salary payroll, a total of 6, (100%) were fully verified with a Total Monthly salary of ¥42,198.14 and USD 1,000. • Though the NTR budget to be collected during FY 22/23 was UGX.36,666,000, It was however noted that the Statement of Appropriation had an amount of only UGX.2,000,000 figure under the budget column. • Included in the receivables of UGX.190,271,702, is an amount for security deposit of UGX.35,780,459 for two houses which belonged to two Officers who had been recalled almost 1 year and 5 years ago respectively. The security deposit hadn't been recovered by the time of audit. • There have been enormous delays to start the construction of the Chancery and Office Residence. The Construction was expected to have commenced in 2019. To-date seven (7) years of the lease period have elapsed without any construction. As per the Consultant's projections, construction is expected to kick off in January and completed June 2025.
Uganda Consulate in Kenya, Mombasa	Agro-industrialization Governance and security Tourism development		• The Consulate budgeted to collect UGX.57Mn during the year, however, by the end of the year only UGX.50Mn had been collected representing 88% performance. • The Consulate had an approved budget of UGX.6,286,488,000 for the various programmes out of which UGX.5,840,071,000 was warranted resulting in a shortfall of UGX.446,417,000 representing a 93% performance.

			• Out of the total warrants of UGX.5,823Mn availed to the Consulate during the year, UGX.5,415Mn was utilized resulting in un-utilized warrants of UGX.408Mn representing 93% utilization. • Four (4) outputs that had been fully quantified with a total of twenty-five (25) activities worth UGX.4,091Mn and noted that; Three (3) outputs with fourteen (14) activities and expenditure worth UGX.3,700Mn were fully implemented, one (1) outputs with eleven (11) activities worth UGX.391Mn were partially implemented and one (1) output with one (1) activity worth UGX.20Mn was not implemented at all. • Funds from the Consulate to the tune of UGX.18,113,139 were irregularly charged from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • All the five (5) home based employees at the Consulate appeared for the validation exercise, presented all the pre-requisite documents/information and were fully verified • Out of 12 Local employees from the Consulate, eleven (11) or (92%) appeared for the validation exercise and presented all the pre-requisite documents/information and were fully verified and one (1) or (8%) Local employee on the payroll did not appear for the validation. • The Consulate was still in the process of transferring the tittle from Uganda Property Holdings Ltd to Ministry of foreign affairs, which may delay commencement of the construction works. • The Consulate procured furniture and fitting and electronics from Dubai worth USD.161,779 using a direct method of procurement.
Uganda Communications Universal Services Access Fund (UCUSAF)	Digital Transformation	Unqualified	• Regulation 10 (a) provides that the percentage of the monies meant for information and communication technology development shall be shared between UCC and the Ministry responsible for ICT. However, the Regulation does not provide the ratio against which the sharing would be based.
Uganda Covid-19 Response And Emergency Preparedness Project (UCREPP)	Human Capital Development	Unqualified	The following was observed: • Both the project concept paper and Project file were prepared for the project to ensure that the project idea is consistent with the national development priorities as specified in the NDP and to control duplication of interventions. • Neither a pre-feasibility study nor detailed feasibility study was undertaken prior to execution of the project. • The total project budget was USD 195.5m of which, USD 105.15m (54%) had been disbursed leaving USD 90.35m (46%) yet to be disbursed.

			• I sampled 151 activities worth USD 151.5m, of which 62 activities worth USD 76.8m had been fully achieved, 44 activities worth USD 56.1m were partially achieved and 45 activities worth USD 18.6m were not achieved. • Out of the total available funds of USD 103.89 million, only USD 96.42 million was spent in the FY 2022/23 resulting in unspent balance of USD 7.47 million (representing absorption level of 92.8%). • Some delays were noted in delivery of services like refurbishment of 14 health centres whose contracting was still ongoing and construction of the regional call and dispatch centres of Lira, Mbale and Mbarara whose contracts were yet to be signed. • The Project planned to procure and distribute 65 ambulances to boost Emergency Medical Services countrywide. By the time of audit, only 32 (49%) ambulances had been delivered. • Review of the funds transferred to regional referral hospitals revealed poor record keeping practices and non-deduction of PAYE.
Uganda Country Coordinating Mechanism (UCCM)	Human Capital Development	Unqualified	Audit of UCCM revealed the following; • UCCM budgeted to receive revenue of UGX. 2,548,835,136 for the year 2022. Of this budget, UGX.1,695,987,057 was realized representing an overall performance of 66.5% of the target and a shortfall of UGX.852,848,079. I advised the Accounting Officer to continue liaising with the respective stakeholders to ensure operational efficiencies that support timely release of funds. • UCCM received UGX.1,695,987,057 of which UGX. 374,977,836 was from Global fund; UGX.1,205,000,001 from Government of Uganda (Uganda Aids Commission) and UGX.116,009,220 from GIZ. In addition, UCCM had an opening balance of UGX.191,748,233. As a result, the available funds were UGX. 1,887,735,290 during the year; • However out of a total of UGX.1,887,735,290 funds available during the year, a total of UGX.1,370,361,271 was spent resulting into an unspent balance of UGX.517,374,019 representing 27.4% of the available funds; The under absorption of funds has affected the implementation of planned activities of UCCM.
Uganda Development Bank Limited (UDB)	Private Sector Development	Unqualified	• The allowance for impairment of loans to customers is a matter of most significance as it requires the application of significant judgment and use of subjective assumptions by the Directors when determining both when and how much to record as loan impairment. The key areas where I identified greater levels of management judgement and therefore increased levels of audit focus in the Bank's implementation of IFRS 9 include; The judgments made to determine the categorization (staging) of individual loans and advances accounts in line with IFRS 9; Modelling for estimation of ECL parameters; the respective models' ability to

			address specific trends or conditions due to inherent limitations of modelling based on past performance, the timing of model updates, and macroeconomic events, additional provisions are made via management overlays; and Inputs and assumptions used to estimate the impact of multiple macro-economic scenarios. • The evolving economic impact of global economic shocks like the Russia-Ukraine war and the general adverse economic environment has increased the overall risk of credit default and the possibility of significant increases in credit risk, hence raising the uncertainty surrounding management judgments and estimating processes. • As at 31st December 2022, the gross loans to customers amounted to UGX.1,299 Bn (2021: UGX.840 Bn) contributing 80% (2021: 64%) of the bank's total assets and expected credit losses amounted to UGX.72.8 Bn (FY2021: UGX.55.5 Bn).
Uganda Development Corporation (UDC)	Innovation, technology development and transfer	Unqualified	• The entity had an approved budget of UGX.440.36Bn from the various programmes out of which UGX.392.11Bn was warranted resulting in a shortfall of UGX.48.25Bn representing an 89% performance. • Out of the total funds of UGX.607.03Bn available to the entity during the year, UGX.477.04Bn was utilized resulting in unutilized funds amounting to UGX.129.99Bn representing 79% utilization. • Out of 48 employees on UDC February 2023 salary payroll, a total of 47 (98%) were fully verified while 1 (2%) did not show up but observed that he was a seconded staff. • There were some inconsistencies in staff dates of birth captured in the main payroll and data captured by NIRA on the National Identity card. • A total of six (06) individuals appeared for physical verification with documents indicating that they were temporary or part-time staff. • Out of the 70 approved positions, a total of 47 positions were substantively filled leaving a gap of 23 vacant positions as per the establishment. • I noted that some companies where UDC has shareholding have not held AGMs since UDC acquired shares. • UDC acquired shares in Bukona Agro-processor Ltd worth UGX.11.95Bn in March 2021 for both ordinary and preference shares. However, evidence on file indicates that UDC had not concluded the acquisition and as such, it only had provisional share allocations. • UDC agreed to invest in Speke Resort Convention Centre Ltd (SRCCL), a limited liability company with M/S Meera Investments Ltd (MIL) each shareholder owning a 50% stake in the company. However, MIL contribution is short by UGX.5.69Bn.
Uganda Electricity	Energy Development	Unqualified	The following was observations were made;

Distribution Company Limited (UEDCL)			• Out of the revenue budget of UGX 90,017,351,892, only UGX 77,780,649,000 was realised, representing 86% performance. • Out of the budgeted operational costs of UGX 79,698,893,927, only UGX 72,929,306,420 was spent resulting into a variance of UGX 6,769,587,507 representing 92% overall budget utilisation. • Of the fifty-five (55) sampled activities, thirty-seven (37) initiatives under the three (3) pillars spelt out in the entity work plan for the FY 2022/23. Out of these, sixteen (16) were implemented, thirty-six (36) were partially implemented and three (3) were not implemented. • Out of 366 employees on the Uganda Electricity Distribution Company Limited as of April 2023 salary payroll, a total of 360 (98.4%) employees were fully verified while six (6) staff did not show up. I also noted that two staff received salary, yet their contacts had expired. • A total of twelve (12) employees on the main payroll had inconsistencies in the dates of birth captured in the Company payroll and National IDs as issued by NIRA. • Of 442 approved positions, only 346 were filled resulting into a 78% staffing level. • Out of the wage budget of UGX.69,066,447,497 for the four (4) financial years of 2019/20 to 2022/23, only UGX 65,761,443,543 was absorbed with total unspent balances of UGX 3,305,003,954 (4.7%). • The Company has outstanding amounts owed by related parties amounting to UGX. 111,278,848,000. • The Company had a current ratio of 12.4 for the year under review which was above the desirable ratio of 1.5. It increased by 18.1% from a ratio of 10.5 recorded in the previous year. • The escrow account lacked adequate funding, with closing balances of USD 8,121.52 and UGX 21,247 in the USD and UGX accounts, respectively, as of June 30th, 2023. The year-end funds are less than 1% of the anticipated USD 20 million expected at the end of the concession period of 31st March 2025. • The company lacked a succession plan for both its board and the senior management. • WENRECO downsized UEDCL transformers and transferred assets from the UEDCL grid to the WENRECO network without obtaining prior approval from UEDCL and ERA. Furthermore, reports on the WENRECo concession revealed deficiencies in the maintenance of electricity line accessories, with 71% of insulators and 50% of cross arms found to be broken or leaning. Additionally, 40% of stays were loose, and all drop-out fuses and surge arrestors were identified as faulty.

			• The assessment report on a sample inspection of five distribution lines out of thirteen in the northern and eastern regions of the country revealed that half of the transformers examined were in unsatisfactory condition, among other anomalies. • The UMEME network, had pole faults including; damage, cracking, rotting, vandalism, and leaning structures. Specifically, the Kumi-Serere 33kV Line displayed multiple leaning structures due to rotten poles and vandalized stay assemblies. • There were notable Infrastructure and Security Concerns, with Substation land encroachment observed at Mityana, Mubende, and Fortportal substations, while vandalism was reported for stay assemblies, conductors, underground cables, and poles on the UMEME network, affecting the network's integrity. • Notably, 16 MV Poles, 15,542 meters of MV Bare Conductor, 280 meters of LV Bare Conductor, 21,480 meters of 50sqmm ABC, 2,442 liters of Transformer Oil siphoning, and 16 MV Stay Assemblies were vandalised on the UEDCL Network.
Uganda Electricity Generation Company Limited (UEGCL)	Energy Development	Unqualified	• UEGCL budgeted to receive revenue of UGX.252.7Bn for the financial year 2022/2023, UGX. 365 Bn was realized representing performance of 144.4% of the target. The performance was attributed to increased Energy sales Isimba HPP, Namanve thermal plant, and Government grants to Nalubaale HPP, following the full takeover after the end of the ESCOM concession. • I assessed the level of implementation of 12 Strategic objectives and noted that four (4) strategic objectives were fully implemented, 7 strategic objectives were partially implemented. One (1) was not implemented at all. • I conducted a physical validation of 349 staff, which represented 99% of the total employees of 352 on the company’s April 2023 payroll. Of the 3 unvalidated employees, 1 was away on official duties, while the 2 had retired and were therefore removed from the company’s payroll. • While the company’s wage budget for the 4 financial years from 2019/20 to2022/23 amounted to UGX.124.1 Bn, only UGX.111.2Bn (89.6%) was utilized. The unutilized funds of UGX.12.9 Bn were attributed to delayed recruitments. • Trade and other payables increased by 170%, from UGX.17.97 Bn in the previous financial year to UGX 48.49 billion. The increase was mainly due to unpaid owner’s engineer supervision cost for Karuma HPP and Isimba HPP UGX.18.5 Bn. • The company had outstanding loan obligations of UGX.5.061Tn relating to the construction of Karuma and Isimba Hydro Power Plants. The loans had accrued interest of UGX.447.840Bn by the end of the financial year.

			• though the physical and financial progress of the construction of Karuma was at 99.9%, and t 98.39% respectively, the project had exceeded the initial completion date by 54 months as at the end of the financial year. • Out of the UGX.38.3Bn meant for the implementation of Community Development Action plan (CDAP) project, only UGX.3Bn (7.8%) has been received resulting to non-implementation of planned constructions. • Delays were noted in payment of capacity charge of USD.1,520,056 for Namanve plant which was meant to cater for; staff salaries, administration costs, overhauls, and plant consumable as well as upgrade of the obsolete Supervisory Control and Data Acquisition • I noted defects at Nalubaale HPP including; wearing out of the concrete protective coating, cracks in spiral casing, water ways in the both spiral casing and draft tube, and opening of the concrete-steel joint, and Leakages through cracks in Unit 7 draft tube. • Under the Isimba HPP, there were delays in completing identified snags, the EPC contractor had completed 763 (98%) out of 776 issued snags in 2019.
Uganda Embassy in Algeria, Algiers	Agro-industrialization Development plan implementation Governance and security	Unqualified	• All (5) Foreign Service Officers (FSOs), with total monthly FSA of UGX.74,090,712 (USD 19,554.16) in the June 2023 payroll were fully verified. • Out of Ten (10) local staff, 6 (60%) in the June 2023 payroll were verified, while 4 (40%) did not turn up for the verification exercise. • Embassy spent only UGX.48,232,763 (2.4%) of the UGX. 2 Billion funding received for capital development (retooling). • The cash and cash equivalents figure of UGX.1,737,695,665 (mostly for Capital development) remained unspent at year-end and was not remitted to the Consolidated Fund. • Although the principal signatories to the Bank account were only the Accounting Officer and the financial attaché, the Head of Mission still maintained control over the account. This was the case the previous year as well. • Embassy paid gratuity (25% of Gross annual Pay) to six (6) local Ugandan staff totaling Euros 35,520, yet the expenditure item had not been budgeted for in the period under review. • The annual rental costs for HoM's residence and Chancery of UGX.975,628,800, constitutes 75% of the Embassy's annual rent budget of UGX 1.3 Billion, which is exorbitant. • Embassy transacts mostly in cash, for both recurrent and capital expenditures, which is susceptible to abuse. • UGX.22,584,000 was outstanding resulting from the Court award to compensate a former employee for unfair dismissal.

Uganda Embassy in Australia, Canberra	Agro-industrialization Community mobilization and mindset change Governance and security Tourism development	Unqualified	• All six (6) Foreign Service Officers (FSOs), with total monthly FSA of UGX.95,469,453 (Australian Dollar [AUD] 38,356.55) in the June 2023 payroll were fully verified. • All eight (8) local staff on the June 2023 payroll, with a total monthly base pay (salary) of UGX.78,876,012 (AUD 31,689.84) were verified. • The High Commission dismally in the planned outputs, namely Lobbying for at least 100 post graduate training scholarships per annum (Nil); Attracting at least 20,000 Australian /Oceania tourists and investors to visit Uganda annually (4%); and lobbying for bilateral FDI transfer to Uganda annually (Nil)
Uganda Embassy in Belgium, Brussels	Agro-industrialization Community mobilization and mindset change Governance and security Manufacturing Tourism development	Unqualified	• Out of the entity NTR budget of UGX.0.4Bn, only UGX 0.0085Bn was attributed to the Mission, representing a performance of 2.1% of the target. • Whereas the approved G.O.U budget of UGX 5.764Bn was fully funded, review of the performance reports revealed unfunded priority under the Economic and Commercial Diplomacy (ECD) item of UGX 1 Billion. • Comparison of staffing between the establishment structure and staff in place revealed overstaffing by 1 Foreign service officer. • A sum of Euros 17,223.01 was charged on item codes that are different from the prescribed ones without necessary approvals. • Some key systems for fire detection, closed circuit cameras and I.T support lack service level agreements. • The window frames, carpets main entrance door and the gutters for the official residence were in a state of disrepair. As a result, the heating and cooling costs during winter and summer are escalated respectively. • The Embassy plot has remained undeveloped for the last 15 years and as a result there is risk of repossession by the city authorities.

Uganda Embassy in Burundi, Bujumbura	Agro-industrialization Community mobilization and mindset change Governance and security Manufacturing Tourism development	Unqualified	• I noted that all Embassy funds for the approved budget totalling to UGX. 2,966,315,561, were released and warranted representing 100% performance. • Out of the released/warranted amount, the Embassy spent a total of UGX. 2,966,315,561 representing 100%. • I assessed the implementation of all the Seven (7) outputs with a total of Twenty-six (26) activities worth UGX. 2,966,315,561 and noted that; none of the outputs was fully implemented. • One (1) output with Eleven (11) activities worth UGX. 54,000,000 was partially implemented whereby four (4) activity were fully implemented, five (5) activities were partially implemented, while two (2) activities remained unimplemented and Two (2) outputs with eight (8) activities worth UGX. 2,805,846,000 were not implemented. • I noted that the Embassy has two which were purchased more than 5 years ago. In the year under review, the Embassy incurred a sum of 99,807,777.14BF (Equivalent to UGX. 76,937,373) in repairs and maintenance costs which is on a high side. • I noted that the Embassy has a potential to attract and promote Tourism, Trade, Investment and Education, given the host country's economic potential. However, the Embassy was allocated only a sum of UGX. 90,500,000 in the key Programmes required to exploit the economic potential in the host country.
Uganda Embassy in China, Beijing	Agro-industrialization Development plan implementation Governance and security Tourism development	Unqualified	• The Embassy budgeted to collect UGX.93Mn during the year, however, by the end of the year only UGX.63Mn had been collected representing a 68% performance. • The Embassy had an approved budget of UGX.5,120Mn for the various programmes which was all warranted representing 100% performance. • The total warrants of UGX.5,120Mn availed was utilized representing 100% utilization. • I observed that the budgets for all five (5) outputs assessed were supported by individual activity costing and budgets. • Three (3) outputs that had been fully quantified with a total of ten (10) activities worth UGX.1,095Mn and noted that; three (3) outputs with ten (10) activities worth UGX.1,095Mn were partially implemented. • The Embassy's budget is inadequate to achieve all the outputs such as access to regional and international markets and tourism promotion required of the Embassy in the countries of representation. • The Embassy had an approved wage budget of UGX.1,691,094,000 which was all released to the Embassy to pay Local Staff salaries and Foreign Service Allowance (FSA) to home base staff

			• Out of 7 employees, a total of 5 (71.4%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. Two of these had been verified in Kampala (MOFA and MOFPED). • One (1) employee on the FSA payroll for June 2023 did not appear for the validation because she had left the Embassy after her tour of service ended • A total of 9 (100%) local staff/short term that appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • The balance sheet and Cash and Cash equivalents reported a figure of UGX.317,112,788 resulting from a case of missing cash collections reported in 2015 or 2016, however I was not availed with evidence of how the case was concluded and the fate of this money or whether any disciplinary measures taken by MoFA. • The Embassy premises do not have adequate space for stores to keep all inventories and old assets earmarked for future disposal. • The embassy had provided details on scholarships in regard to number of student's currently studying, details of how the scholarships are managed and specific courses offered at the various levels.

Uganda Embassy in Denmark, Copenhagen	Agro-industrialization Development plan implementation Governance and security Tourism development	Unqualified	• The Embassy had an approved budget for the FYR: 2022/2023 of UGX.6,651,398,760 that was all warranted. • NTR of UGX 0.039Bn was collected during the year though this was not projected. • Out of the total warrants of UGX.6.65Bn availed, UGX.6.50Bn was utilized by the Embassy representing utilization of 98%. • The budgets for all the six (6) outputs assessed were not supported by individual activity costing and budgets. • Out of the six (6) budget outputs that were fully quantified with a total of 43 activities worth UGX. 6.65Bn, no output was fully implemented. All the Six (6) outputs with 43 activities were partially implemented. Out of 43 activities, 16 activities were fully implemented, 14 activities partially implemented and 13 activities unimplemented. • Despite the release and utilization of all the budgeted funds, the Embassy did not implement all the planned activities. • All the seven (7) (100%) home-based employees were fully verified and out of 7 local contract staff, a total of 6 (86%) who appeared for the validation exercise presented all the pre-requisite documents and were fully verified. One (1) staff - a driver with a total monthly base pay of UGX.13,911,635) was not validated since his contract was not renewed at the end of the financial year and has since left the Embassy. • During the financial year under review, the Embassy's area of jurisdiction was extended to cover three (3) more countries making it eight (8) countries while the budget of the Embassy remained at the same level. • The Embassy owns two (2) main properties; Land at Sofievej 15, 2900 Hellerup where the Chancery/Uganda Embassy-Copenhagen is housed. However, the Office is in dire need of renovation. The current state of the building portrays a bad image of the country and there is a risk that the city authorities could close the Chancery any time. • Land at Neils Andersens Vej 82, 2900 Hellerup of size 800 m2 is the official residence of the Ambassador. However, the house is not yet occupied by the Ambassador pending completion of renovation and is currently temporarily occupied by the visa section (Immigration). • UGX.0.329Bn was paid out in rent for the accommodation of the Ambassador during the financial year under review. With timely renovation, the expenditure is avoidable. • The Embassy attracted eighteen (18) Educational scholarships/offers that were communicated to ministry of Foreign Affairs and required an estimated 462 beneficiaries, while some steps are being taken to attract some investments.

			However, there is still a significant gap on commercial and economic diplomacy to attract business investments to Uganda. • The Embassy does not have a complete database in place of all Ugandans living or working in Denmark and the other seven accredited areas.

Uganda Embassy in DRC, Kinshasa	Agro-industrialization Governance and security Manufacturing	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX.0.483Bn during the year. However, by the end of the year UGX.0.727Bn had been collected representing an 150% performance. • The entity had an approved budget of UGX.7.985Bn from the various programmes out of which UGX.7.985Bn was warranted representing a 100% performance. • Out of the total warrants of UGX.7.985Bn availed to the entity during the year, UGX.7.53Bn was utilized resulting in un-utilized warrants of UGX.0.455Bn representing 94.3% utilization. • I assessed the implementation of five (5) outputs that had been fully quantified with a total of 24 activities worth UGX 7.530Bn and noted that; three (3) outputs with 13 activities and expenditure worth UGX 6.977Bn were fully implemented. Two (2) outputs with eleven (11) activities worth UGX.0.552Bn were partially implemented. Out of the 11 activities, the entity fully implemented seven (7) activities; four (4) activities were partially implemented, while none remained totally unimplemented. • Six (6) (100%) home-based employees of the Uganda Embassy Kinshasa on June 2023 FSA payroll were fully verified. • 16 (100%) employees on local contract June 2023 salary payroll were fully verified. • I reviewed the budgets and actual expenditure for the FYR 2022/23 on FSA and local staff salaries and wages and noted that UGX.1,947,705,376 was budgeted and approved for the financial year and the whole amount fully utilised/spent.
Uganda Embassy in Egypt, Cairo	Agro-industrialization Development plan implementation Governance and security	Unqualified	• Although the embassy collected NTR amounting to UGX.16,958,703, this was not transferred to the UCF. All the funds were utilised at source contrary to financial regulations. • Although two vehicles were paid for by the Embassy at a cost of USD103,100 in the previous financial year they were delivered in January 2023. According to the guidance by the Accountant General, these should have been recognised in the current financial year. • The Receivables were understated by UGX.20,709,235. • The board of survey report provided did not include report on cash count even though management disclosed UGX 11,904,171 as cash imprest as at 30th June 2023 • The amount presented as Actual expenditure in the Statement of Appropriation of UGX.3,267,239,102 is different from the amount of UGX.3,264,000,000 presented in the Quarter 4 Budget performance report. • According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX 0.483Bn during the year. However, by the end of the year only UGX 0.0169Bn had been collected representing a 3.5% performance.

			• The entity had an approved budget of UGX.3.267Bn from the various programmes all of which was warranted resulting in 100% performance on GoU receipts. • Out of the total warrants of UGX.3.267Bn availed to the entity during the year, UGX.3.259Bn was utilized resulting in un-utilized warrants of UGX 0.008Bn representing 99.76% utilization. • I observed that the budgets for three (3) outputs assessed were not supported by individual activity costing and budgets. • Despite the embassy receiving 100% of its budget, I noted that many budgeted outputs were not achieved. • The salaries and FSA for officers amounting to EGP17,370,165 (Approx USD 569,514) were being charged on wrong codes. A significant amount was charged on Non-wage codes of Electricity, Water, Fuel, Rent, Medical and Maintenance codes. • Out of 7 employees on Cairo Mission June 2023 salary payroll, a total of 5 (71%) were fully verified. One (1) employee was away for other genuine reasons, and was left on the payroll, pending validation upon their return. • One (1) employee was confirmed to have absconded for 8 months from January 2023 by the time of audit in August 2023 and had been paid FSA of USD 18,944 by the time of validation. • Out of 12 employees on Cairo Mission June 2023 salary payroll, a total of 10 (83.3%) were fully verified, 1 (8.33%) partially verified, while 1 (8.33%) did not show up. • All cheque payments to staff and third-party suppliers (Land Lords, Hotels, etc.) are not acknowledged by the beneficiaries. Instead, local staff are authorised to receive payments on behalf of suppliers and officers and then proceed to cash them at the Missions commercial bank. • Two (2) officers who reported to duty during the financial year were paid Children and Education allowance without evidence of either a birth certificate or adoption by the officers and evidence of education period to be covered. • There was delayed decision making by Government of almost 2 ½ years for the embassy to move to the New Capital or New Cairo as required by the government of Egypt.

Uganda Embassy in Ethiopia, Addis Ababa	Agro-industrialization Development plan implementation Governance and security	Unqualified	• During the FYR 2022/2023, the Mission had an approved budget of UGX.4,052,768,625 that was all warranted and fully utilized while the budgeted NTR of UGX.19,621,160 was all collected representing a performance of 100%. • The budgets for the three main outputs including Access to Regional and International Markets, Administrative support and Cooperation frameworks and Development Assistance of total budget UGX.3.10Bn were not supported by the individual activity costing and budgets. • All the three (3) outputs with 43 activities worth UGX.3.103Bn were fully implemented. • I undertook a physical headcount of all employees at the Embassy Addis Ababa who existed on the June FSA and Local Contract Staff 2023 payroll and all the staff that appeared for the validation exercise presented all the pre-requisite documents and were fully verified. • I noted that UGX.757,864,440 (USD 214,086) was budgeted and approved for the foreign service allowance for FYR: 2022/2023 however, UGX.798,539,174.36 was spent giving rise to a variance of UGX.40,674,734.36 that was occasioned by the differences in the Exchange rates used when budgeting and the actual time of expenditure. • The Embassy had an outdated/inadequate staff establishment of six (6) home based staff in comparison to the current needs. This has caused operational gaps that necessitates an improved staffing structure for example a Deputy Ambassador for improved service delivery. • The Uganda Mission owns land that includes old buildings such as the Official Residence of the Ambassador. However, the current state of the Official residence does not reflect a good image of the country. • I noted that future plans are to demolish the current official residence structures and construct both the Official Residence and the Chancery on the land however, there have been delays that hindered timely development and thereby causing persistent high rental charges for the Chancery. • While the procurement process of the consultant and the designs had started, the bids for the consultancy and designs were yet to be opened. • There was no comprehensive planning for sourcing of business and Educational Scholarships. A lot is yet to be done on commercial and economic diplomacy to attract business investments to Uganda. • The Mission does not have a database in place showing details of all Ugandans living/working in Ethiopia which affects planning and poses risks to the image of the State in case of uncertainties.

			• I observed that the Chancery functions in a rented House that was not conducive for the operations of an Embassy and thus puts the Mission to a security risk.

Uganda Embassy in France, Paris	Community mobilization and mindset change Governance and security Tourism development	Unqualified	• The Embassy budgeted to collect NTR of UGX.63,333,333 during the year under review. Out of this, only UGX.45,436,680 was collected as reported in the financial statements, this implied that the NTR collected represented a performance of 71.74 % of the planned target. • Out of the total funds warranted of UGX.19,701,473,857 received during the financial year, the Embassy spent UGX.6,300,979,941 resulting in an unspent balance of UGX.13,400,493,915 representing an absorption level of 31.98%%, The unspent funds were not all remitted to the consolidated fund, out of the unspent balances only UGX.47,007,561 was remitted to the UCF. • I noted that the amount budgeted for rent for non-produced assets for the Embassy was UGX.2,031,517,000 during the year. This constitutes a 32.24% of the total mission expenditure of UGX.6,300,979,941 which if a permanent residence for the Head of Mission (HoM) was acquired would result in savings for the Mission. • The Embassy had Seven (7) home based staff on the June 2023 payroll, All the Seven (7) based employees turned up for the payroll verification exercise and were verified (100%). • The Embassy had Nine (9) local staff on the June 2023 payroll, all the 9 local based employees turned up for the payroll verification exercise and were verified (100%). • I established that, as per the June 2023 payroll of the Embassy the total monthly base pay for home staff in regard to Foreign service Allowance (FSA) and Representation Allowance (RA) for the Home based staff was USD $ 25,664.71 and USD $ 1,100 respectively. • The total monthly base pays for complete- verified Local based employees was established to be. Euros 17,300 (comprising Euros 1,500 for consolidated overtime allowance and Euros 15,800 as monthly salary as per the contracts.)

Uganda Embassy in Germany, Berlin	Agro-industrialization Community mobilization and mindset change Development plan implementation Governance and security Private sector development Tourism development	Unqualified	• The Embassy budgeted to collect Non-tax revenue UGX 0.11Bn during the year. However only UGX. 0.028Bn was collected representing a 25% performance. • The Embassy had a budget of UGX.8.27Bn, out of which UGX.6.8Bn was warranted, resulting in a shortfall of UGX.1.46Bn. • Out of the total warrants of UGX. 6.8Bn received, only UGX.6.78Bn was spent resulting in an unspent balance of UGX.10.9Mn • All the activities in the work plan were supported by individual activity costing and budgets. • I assessed the implementation of five (5) outputs that had been fully quantified with a total of twenty-nine (29) activities worth UGX.7.70Bn and noted that; all five (5) outputs were partially implemented. Out of the twenty-nine (29) activities, the entity fully implemented fourteen (14) activities, while fifteen (15) were partially implemented • The mission had an approved wage budget of UGX.2.94Bn and obtained supplementary funding of UGX.311 Mn resulting into a revised budget of UGX.3.25Bn however 99 % of the wage budget was fully utilized. • Out of six (06) employees on Embassy June 2023 salary payroll, a total of five (05) (83.3%) were fully verified while one (01) (16.7%) did not show up • I noted that Public Service Standing Orders, 2021 do not provide guidance on the management of short-term /temporary employees. • The embassy had an approved establishment of six (06) staff out of which five (05) positions were filled and one (01) was vacant. • The funds to the tune of EUR. 6,443.25 (equivalent to UGX.25,681,505) were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • Inspection of the Official Residence at the Uganda Embassy in Berlin carried out on 28th September 2023 revealed that a number of the furniture requires replacement to befit the status of the Official Residence

Uganda Embassy in Iran, Tehran	Agro industrialization Development plan implementation Governance and security Human capital development Tourism development	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX 0.236Bn during the year however no collection was made. • The entity had an approved budget of UGX.3.417Bn from the various programmes out of which UGX.3.417Bn was warranted resulting in 100% performance. • All the total warrants of UGX.3.417Bn availed were utilised representing 100% utilization. • The budgets for all the five (05) outputs assessed were not supported by the individual activity costing and budgets. • I assessed the implementation of two (02) outputs that had been fully quantified with a total of six (06) activities worth UGX.0.276Bn and noted that; One (1) output with three (03) activities and expenditure worth UGX.0.251Bn was fully implemented. One (1) output with three (03) activities worth UGX.0.025Bn were partially implemented. Out of the three (03) activities, the entity fully implemented two (02) activities while one (01) activity remained unimplemented. • All the four (4) (100%) home based employees on the Uganda Embassy Teheran June 2023 FSA payroll were fully verified. • Out of five (5) (100%) employees on Local Contract June 2023 salary payroll, a total of five (5) (100%) were fully verified. • I reviewed the budgets and actual expenditure for the FYR 2022/23 on FSA and local staff salaries and wages and noted that UGX.1,516,153,754 was budgeted and spent for the financial year.

Uganda Embassy in Italy, Rome	Agro-industrialization Community mobilization and mindset change Development plan implementation Governance and security Human capital development Manufacturing Tourism development	Unqualified	• According to the approved estimates for the FYR 2022/2023, the entity did not budget to collect NTR, however by the end of the year only UGX.23,273,605 had been collected. • The entity had an approved budget of UGX.5.019Bn for the various programmes out of which UGX.5.109Bn was warranted, representing 100% performance. • Out of the total warrants of UGX.5,019 Bn availed to the entity during the year, UGX.4.386 Bn was utilized resulting in un-utilized warrants of UGX.0.633Bn representing 87.4% utilization. • The budgets for all five (5) outputs assessed were not supported by individual activity costing and budgets. • I assessed the implementation of five (5) outputs and noted that no output had been fully quantified and there were no activities details. • Out of seven (7) (100%) home based employees on the Uganda Embassy Rome June 2023 FSA payroll, a total of seven (7) (100%) were fully verified. • Out of the 7 (100%) employees on local contract June 2023 salary payroll, a total of 6 (86%) were fully verified while one (1) staff (14%) did not show up. • The budgets and actual expenditure for the FYR 2022/23 on FSA and local staff salaries and wages. I noted that UGX.2,273,555,540 was budgeted and approved for the financial year; however, UGX.2,018,963,990 was spent giving rise to a variance of UGX.254,591,550. • Mission planned to source at least ten (10) science–based scholarships using a budget of UGX.40,000,000. The Mission managed to source for 36 scholarships for 21 from Italy, 13 from Serbia and two (2) from Croatia. They also managed to get seven (7) students internship placements in FAO (5) and IFAD (2). • The existing ICT equipment at the Mission had exceeded the useful lives, was old, performing poorly and required urgent replacement.
Uganda Embassy in Japan, Tokyo	Agro-industrialization Community mobilization and mindset change Development plan implementation Governance and security Human capital development	Unqualified	• The Embassy budgeted to collect NTR of UGX: 20m during the year out of which UGX.4m was collected, resulting in a shortfall of UGX.16m. • I assessed the implementation of the eleven (11) outputs that with a total of thirty-four (34) activities worth UGX.5.786Bn and noted that eight (8) outputs were fully implemented, while three (8) outputs were partially implemented. • In its Strategic Plan 2020/2021-2024/2025, the Mission planned to acquire a (hybrid) property constituting a Chancery and Official Residence to improve its image in the host country. In May 2021, in its first year of the Strategic Plan, the Mission attempted to search for properties in Tokyo, and in the process identified two properties for acquisition. However, by the time of audit (07th September 2023), in the third month of the fourth year of the Strategic Plan, no further efforts

	Manufacturing Private sector development Tourism development		had been made by the Mission aimed at actualization of the plan for acquisition of properties to house the Uganda Embassy in Japan. • The Mission lost two hundred and fifty (250) Single Entry Visa Stickers and two hundred and fifty (250) Multiple Entry Visa Stickers in the financial year 2019/2020, all valued at UGX.49.96Mn. By the time of this Audit in September 2023, no recoveries had been made and the Public had not been notified of the loss.

Uganda Embassy in Malaysia, Kuala Lumpur	Community mobilization and mindset change Governance and security Manufacturing Tourism development	Unqualified	• The Mission had a budget of UGX.3,492,139,716, out of which UGX.3,492,139,716 was warranted. • Out of the total warrants of UGX.3,492,139,716, I reviewed activities/outputs worth UGX.2,699,647,656 (77%). • The Mission was supposed to collect NTR of UGX.50 million during the year. However, by the end of the year, only UGX.17 million had been collected, representing 34% performance. • Three (3) outputs with six (6) activities and expenditures worth UGX.0.0838 Bn were fully implemented. • Three (3) outputs with six (6) activities worth UGX.3.407Bn were partially implemented. Out of the six (6) activities, the entity fully implemented two (2) activities; two (2) activities were partially implemented, while two (2) activities remained unimplemented. • The Mission had a wage budget of UGX.579,622,627, out of which UGX.320,847,813.3 (equivalent to Malaysian Ringgit 394,160.95) was utilised. • All five (5) home-based staff (100%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • All eight (8) local staff (100%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • UGX.579,622,627 was budgeted for the financial year 2022/23. However, UGX.320,847,813.3 was spent, giving rise to under absorption amounting to UGX.258,774,813. • Funds to the tune of UGX.258,774,813 were irregularly diverted from contract salary code 211102. • The Mission had an approved establishment of six staff. Of these, only four positions were filled, and two were vacant. I further noted that two staff members deployed at the Mission were not on the approved structure. • The entity planned and budgeted for activities aimed at sourcing education opportunities for Ugandans within the area of the Mission's jurisdiction but the majority of these were not taken up. • I noted that the contracts committee of the embassy was not fully constituted.

Uganda Embassy in Qatar, Doha	Agro-industrialization Development plan implementation Governance and security	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the Mission did not budget to collect any NTR during the year. However, by the end of the year a total of UGX.156.5Mn, had been collected. Failure to budget for such NTR implies that there was no target upon which the Mission's performance could be evaluated. • The Mission had an approved budget of UGX.3.374Bn for the various programmes out of which UGX.3.079Bn was warranted, resulting into a shortfall of UGX.295Mn, representing 9% of the total approved budget. The UGX.295Bn that was not warranted was meant for procurement of a representation car, which activity was accordingly not implemented. • The Mission received a total of UGX.411.96Mn during the year under review (2021/2022: UGX.389.4Mn) as external assistance from the Government of Qatar, to facilitate payment for rent for the Chancery and the Official residence of the Head of Mission. However, this amount was not budgeted for during the year under review, and I did not obtain any evidence that the amount in question was brought to the attention of the Treasury, for purposes of obtaining a supplementary budget to enable the Mission to expend the funds. • Funds to the tune of QAR.25,966 (approximately UGX.26Mn) were charged wrongly on other expenditure item codes without obtaining the necessary approvals. This was attributed to undertaking activities not originally planned and budgeted for. • A comparison of the approved Mission structure with the number of staff on the Mission payroll revealed that the Mission had recruited staff in positions that were not on the approved structure, implying that the Missions current staffing position is not aligned to the approved structure. I however noted that, the approved structure communicated by the Ministry of Public Service did not include the positions currently filled, yet they were all critical for the Missions operations.

Uganda Embassy in Russia, Moscow	Agro-industrialization Community mobilization and mindset change Governance and security Human capital development Innovation, technology development and transfer Manufacturing Tourism development	Unqualified	• The entity budgeted to collect UGX.0.06Bn during the year however, by the end of the year only UGX.0.05Bn had been collected representing an 83% performance. • The entity had an approved budget of UGX.5.253Bn from the various programmes out of which UGX.5.253Bn was warranted representing a 100% performance. • Six (6) outputs with 12 activities and expenditure worth UGX.1.821Bn were fully implemented. Two (2) outputs with 13 activities worth UGX 3.420Bn were partially implemented. Out of the 13 activities, the entity fully implemented nine (9) activities; three (3) activities were partially implemented, while one (1) activity remained unimplemented. • I noted that UGX.1,903,118,000 was budgeted and approved for the wages and Salaries for financial year, however UGX. 2,026,067,244 was spent giving rise to a variance (over expenditure) of UGX. 122,949,244. • The Embassy did not follow-up on business and educational opportunities sourced and forwarded to the Ugandan authorities.

Uganda Embassy in Saudi Arabia, Riyadh	Development plan implementation Governance and security Human capital development Manufacturing Tourism development	Unqualified	• According to the approved estimates for the FYR 2022/2023, the entity did not budget to collect NTR, however, by the end of the year UGX.4,402,191 had been collected. • The entity had an approved budget of UGX.6.276Bn, out of which UGX.6,276Bn was warranted, representing 100% performance. • Out of the total warrants of UGX.6.276,717,669 availed to the entity during the year, UGX.6,236,601,294 was utilized resulting in un-utilized warrants of UGX.40,116,375 representing 99.9% utilization. • I observed that the budgets for all four (4) outputs assessed were not supported by individual activity costing and budgets. • Out of five (5) (100%) home based employees on the Uganda Embassy Riyadh June 2023 FSA payroll, a total of five (5) (100%) were fully verified. • Out of 15 (100%) employees on local contract June 2023 salary payroll, a total of 15 (100%) were fully verified. • I reviewed the budgets and actual expenditure for the FYR 2022/23 on FSA and local staff salaries and wages and noted that all the budgeted UGX.3,434,036,371 was spent. • During the period under review, the Mission secured 124 scholarships for Ugandans in various fields of study in Saudi Arabia and the other countries of accreditation but there was no evidence to confirm that these were followed up to conclusion to ensure it benefits the qualifying citizens. • The Mission prepared an approved procurement plan for the financial year 2022/2023, however this was not fully implemented. • The Embassy does have an adequate number of staff to cover the Mission work across the areas of accreditation. This affects the performance of the Embassy.

Uganda Embassy in Somalia, Mogadishu	Governance and security Manufacturing Private sector development	Unqualified	• I noted that the embassy budgeted to collect NTR of UGX.0.003Bn during the year however, by the end of the year no collections had been done. • The entity had an approved budget of UGX.4.113Bn that was all warranted. • Out of the total warrants of UGX.4.1133Bn, UGX.4.113Bn was utilized resulting in un-utilized warrants of UGX.0.012Bn • I observed that the budgets for all seven (7) outputs assessed were not supported by individual activity costing and budgets. • I assessed the implementation of three (3) outputs that had been fully quantified with a total of nine (9) activities worth UGX.0.739Bn and noted that these were fully implemented. • The Embassy had four (4) home-based staff on the June 2023 payroll with a total monthly Foreign Service Allowance of UGX.89,778,677 (USD.24,482), all of whom were verified. • The Embassy also had eight (8) local employees on the June 2023 payroll with a total monthly salary of UGX.23,652,989 (USD.6,450), all of whom were verified.

Uganda Embassy in South Sudan, Juba	Agro-industrialization Community mobilization and mindset change Development plan implementation Governance and security Manufacturing Private sector development Tourism development	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX.0.11Bn during the year. However, by the end of the year, UGX.0.386Bn had been collected representing a 341% performance. • The entity had an approved budget of UGX.6.942Bn from the various programmes out of which UGX.5.825Bn was warranted resulting in 84% performance. • Out of the total warrants of UGX.5.825Bn availed to the entity during the year, UGX.5.673Bn was utilized resulting in un-utilized warrants of UGX.0.15Bn representing 97.4% utilization • I observed that the budgets for eight (8) outputs assessed were not supported by individual activity costing and budgets. • I assessed the implementation of five (05) outputs that had been fully quantified with a total of 22 activities worth UGX.1.233Bn and noted that; One (1) output with one (1) activity and expenditure worth UGX.0.13Bn was fully implemented. Four (4) outputs with 21 activities worth UGX.1.1Bn were partially implemented. Out of the 21 activities, the entity fully implemented 15 activities; five (5) activities were partially implemented, while one (01) activity remained unimplemented. • Six (6) (100%) home based employees on the Uganda Embassy Juba June 2023 FSA payroll, were validated. • Out of 10 (100%) employees on local contract June 2023 salary payroll, a total of 10 (100%) were fully verified. • I reviewed the budgets and actual expenditure for the FYR 2022/23 on FSA and local staff salaries and wages. I noted that UGX.1,743,024,300 was budgeted and approved for the financial year; however, UGX.1,870,627,350 was spent giving rise to a variance of UGX.127,603,050. • Delayed completion of the project has resulted into the Embassy continuing to incur rent for the chancery of UGX.528,048,000 (approximately UGX.44,004,000 per month) during the period.
Uganda Embassy in Sudan, Khartoum	Governance and security	Disclaimer	• The Accounting Officer of Uganda Embassy in Sudan, Khartoum did not submit financial statements and supporting documents such as payment vouchers, accountabilities, Board of survey reports among others for the FYR ended 30th June 2023 for audit. • I was not able to undertake a detailed review of the performance of the budget since the required information such as quarterly performance reports, accountabilities for activities undertaken, and budget performance reports were not provided for verification. • Out of the 17 local employees on the June 2023 payroll, 14 (82%) with a total monthly base pay of UGX.43,396,241 (USD.11,850) were verified while three (3)

			(18%) with a total monthly base pay of UGX.5,493,195 (USD.1,500) were partially verified.

Uganda Embassy in Switzerland, Geneva	Agro-industrialization Development plan implementation Governance and security Manufacturing	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX 0.22Bn during the year. However, by the end of the year only UGX 0.011Bn had been collected representing an 5% performance. • Out of the total warrants of UGX 7.55Bn availed to the entity during the year, UGX.7.55Bn was utilized. • I observed that the budgets for eight (8) outputs assessed were not supported by individual activity costing and budgets. • I assessed the implementation of one (1) outputs that had been fully quantified with a total of five (5) activities worth UGX 1.214Bn and noted that; All the five (5) activities and expenditure worth UGX1.214Bn were fully implemented. • A review of the Mission expenditures revealed that the entity charged wrong expenditure codes to a tune of CH. 14,502.47. • Out of eight (8) (100%) home based employees on the Uganda Embassy Geneva June 2023 FSA payroll, a total of eight (8) (100%) were fully verified. • Out of nine (9) (100%) employees on local contract June 2023 salary payroll, a total of nine (9) (100%) were fully verified. • I reviewed the budgets and actual expenditure for the FYR 2022/23 on FSA and local staff salaries and wages. I noted that UGX.1,795,797,928 was budgeted and approved for the financial year however; UGX. 2,124,256,554 was spent giving rise to a variance of UGX. 328,458,626. • I noted that M/s Old Mutual Insurance was paid CH.159,405.95 during the period under review in addition to medical top of staff of CH.16,238.64. • Although the approved staff structure of the Mission has been filled as indicated above, the Foreign Service Officers are inadequate to attend all the bilateral and multilateral engagements at the same time. As such the Country misses out in critical Committee activities and consequently undermining the performance of the Mission given that Geneva is a host to many international organisations. • The Mission made payments totalling to CH. 551,948.43 in respect of hire of Office space, the Chancery and staff accommodation for all homed based staff. • Foreign Service allowance of USD 31,904.38 for the month of June 2023 amounting to CH. 31,904.38 was not paid. • A review of the payment revealed that the narrations do not provide in detail what the payments are being made for. For example, the accountant states in the description that the payment is for "allowances" without being specific if the type of allowances. (FSA, SDA, Periderm etc.).

Uganda Embassy in the United States, Washington	Development plan implementation Governance and security Private sector development	Unqualified	• The Embassy budgeted to collect NTR of UGX.23,000,000 but realised UGX.46,012,011 reflecting a performance of 200%. • The Embassy budgeted to receive UGX.11,111,681,000 out of which only UGX.10,109,014,903 was received leaving a balance of UGX.1,002,666,097. • Out of receipts of UGX.10,109,014,903, a sum of UGX.8,562,900,608 was spent by the entity resulting in an under expenditure of UGX.1,546,114,295. • I assessed the implementation of three (3) programmes with 35 activities worth UGX.11.11Bn and noted that out of the 35 quantified activities assessed, 18 activities representing 51% were fully implemented while 12 activities representing 34% were partially implemented. Five (5) activities representing 15% were not implemented at all. • The Mission had 10 home based staff on the June 2023 payroll out of whom all the 10 (100%) were verified. • The Mission also had nine (9) local contract employees on the June 2023 payroll out of whom eight (8) (89%) were verified while one (1) (11%) with a total monthly base pay of USD.2,774 equivalent to UGX.10,172,619 was not verified. • Seven (7) local contract staff working with the Embassy had no valid contracts following the expiry of their contracts on 1st July, 2023. The salary irregularly paid to these staff amounts to USD.92,040 equivalent to UGX.337,522,647. • The Mission has four (4) vacant positions for local staff involving Administrative Assistant, Consular Assistant, Commercial Diplomacy Assistant and Legal Advisor (on retainer). • The two (2) chancery buildings are in a sorry state and need urgent repairs. There are severe structural problems on both buildings. There are cracks in the walls and the floor had surged on some sections of the buildings. The back porch on the building on Plot 5909 had collapsed due to an unstable foundation. • The Ambassador's residential building on Plot 5009, Loughborough road NW had not been occupied due to a broken water pipe and the pipes were consistently leaking. Besides, the copper pipes that supply the water across the building had started rusting and therefore needed urgent replacement. • The quarterly Finance Committee were not convened contrary to the requirements of the Treasury Instructions.

Uganda Embassy in Turkey, Ankara	Agro-industrialization Community mobilization and mindset change Governance and security Human capital development Private sector development Tourism development	Unqualified	• All Embassy funds for the approved budget totalling to UGX. 5,557,002,959, were released and warranted representing 100% performance. • Out of the released/warranted amount, the Embassy spent a total of UGX. 5,533,179,731 representing 99.6%. • I assessed the implementation of all the six (6) outputs with a total of Twenty (20) activities worth UGX. 5,462,546 and noted that; none of the outputs was fully implemented. 9 activities were fully implemented, whereas 11 activities were not implemented. • The Embassy does not have a medical insurance scheme for staff, and as a result the staff incur medical expenses which are later refunded by the Accounting Officer. A sum of 449,767 TL (Equivalent to UGX. 60,180,091) was spent on staff medical refunds. • The Embassy had two old vehicles used as representation and utility vehicle, which were purchased more than 5 years ago with high repair and maintenance costs, which totalled to 712,766.83TL (Equivalent to UGX. 95,370,210) in the year.

Uganda Embassy in United Arab Emirates, Abu Dhabi	Agro-industrialization Community mobilization and mindset change Development plan implementation Governance and security	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the Mission budgeted to collect NTR amounting to UGX.45Mn, during the year. However, by the end of the year a total of UGX.139.5Mn, had been collected, resulting into a performance of 310%. Although this is a commendable performance, this could imply that the budget was not a realistic budget. • I noted that funds to the tune of UGX.28.9Mn were charged wrongly on other expenditure item codes without obtaining the necessary approvals. This was attributed to undertaking activities not originally planned and budgeted for. • The Embassy faces numerous Challenges in provision of Consular Services since the United Arab Emirates (UAE) is host to the largest concentration of Ugandans in the Middle East with approximately 100,000 nationals. These include; **a.** Lack of sufficient personnel to render consular services. For example, it lacks: a dedicated Labour Attaché to receive and resolve complaints raised by externalised Ugandan workers (especially maids) against their employers. **b.** There are about 100,000 Ugandans in the UAE, yet the embassy's Consular Section has only five members of staff, all of whom also handle other duties besides Consular Services provision. The large Ugandan diaspora presents a unique overwhelming demand for consular services which puts considerable strain on the staff. **c.** The UAE is a large country comprised of seven emirates/states rendering the provision of consular services so challenging, in terms of coverage area and distances to be travelled without an operational budget. For example, demands for rescue operation of distressed individuals especially girls, are abrupt in most cases. **d.** The Embassy lacks a dedicated vehicle for Consular work. The same vehicle can also be used for protocol work, commercial and economic diplomacy etc. **e.** Lack of operational budget for the rescue accommodation in Abu Dhabi. **f.** Lack of a budget to treat distressed citizens that fall severely sick. • Under the circumstances, the embassy is unable to effectively deliver the much needed consular services to the citizens, some of whom might me in distress. • A comparison of the approved Mission structure with the number of staff on the Mission payroll revealed that the Mission had recruited staff in positions that were not on the approved structure, implying that the Missions current staffing position is not aligned to the approved structure. I however noted that, the approved

			structure communicated by the Ministry of Public Service did not include the positions currently filled, yet they were all critical for the Missions operations. This was further impacted by the creation of the Dubai Consulate. • The Embassy was not maintaining a VAT ledger in the Navision system, thus making it difficult to properly record and account for the VAT transactions in the year. I further noted that there was no claim for VAT payments during the year under review. From a sample of payments reviewed, a total of UGX.22Mn, was not claimed for refund. Failure to record and claim for the VAT refunds implies that the Mission continues to lose such funds.

Uganda Export Promotion Board (UEPB)	Private sector development	Unqualified	• The entity budgeted to collect UGX.0.04Bn, however, only UGX.40,000 was realised representing a 1% performance. • The entity had an approved budget of UGX.8.43Bn for one programme out of which UGX.4.46Bn was warranted resulting in a shortfall of UGX.3.97Bn representing a 52.9% performance. • Out of the total warrants of UGX.4.46Bn availed to the entity during the year, UGX.3.9Bn was utilized resulting in unutilized warrants of UGX.0.56Bn representing 87.5% utilization. • Three (3) activities with a total expenditure of UGX.1.25Bn were not completely implemented. • UEPB does not have an M&E Policy and M&E framework to guide monitoring and evaluation activities. • Out of 20 employees, a total of 18 (90%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • A total of 2 (10%) employees on the payroll did not appear for the validation. These were employees on secondment from other government institutions from where they were verified. were paid in accordance with Government standing orders and the UEPB Human Resource Manual. • Out of the Board's 40 approved positions, a total of 17 positions were filled leaving 23 vacant positions as per the establishment. • I noted that UGX.1.16Bn was paid to staff as Gratuity for the three financial years, but the Board did not deduct the 5% individual and 10% employer contributions to the National Social Security Fund.
Uganda Free Zones Authority (UFZA)	Private sector development	Unqualified	• The entity budgeted to collect UGX.0.42 Bn in NTR during the year. However, by the end of the year, only UGX.0.16 Bn had been collected, representing a 38.10% performance of the budgeted revenue. • The entity had an approved budget of UGX.28.357Bn from its one program out of which UGX.27.793Bn was released resulting into a shortfall of UGX.0.564Bn, representing an overall performance of 98.01%. • Out of 31 employees on Uganda Free Zones Authority's February 2023 salary payroll, a total of 31 (100%) were fully verified to be valid employees of government. • Out of the UGX.3.29Bn approved wage Budget for the financial years, only UGX.3.046Bn was spent giving rise to unspent balances amounting to UGX.244.473Mn. • Out of 51 approved positions, a total of 31 positions were filled leaving a gap of 20 vacant positions.

			• UFZA's Budget Framework Paper (BFP) and Annual Budget for the financial year under review, was 24% compliant in alignment with NDP III outputs. • The Authority did not conduct a mid-term review of the Strategic Plan during the year under review, to provide adequate insights into the achievements and enable realignment for the remaining period.
Uganda Intergovernmental Fiscal Transfers Program (UGIFT) 2022/2023	Private Sector Development	Unqualified	• A comparison of the reported financing and the Medium Term Plan for the 2022/23 financing target indicated underfunding of UGX.170.5Bn for the grants. • Several Disbursement-Linked Indicators (DLI's) actions had not been achieved by June 2023 as per the Independent Verification Reports. From the assessment of DLI's 3 to 6 and the independent verification reports, I observed that USD.13.25Mn was realized out of the outstanding USD.44Mn leaving a balance of USD.30.75Mn. With the project remaining with only one year to close in June 2024, there is a risk of completely missing the funds.
Uganda Intergovernmental Fiscal Transfers Program (UGIFT) 2021/2022	Private Sector Development	Unqualified	• Contrary to Section 2.2.3 of the UGIFT Program Operations Manual that linked the MTP to the financing for local service delivery through uplifting transfers to the Local Government to realistically meet the costs for wage, non-wage recurrent spending and development spending on LG service delivery, the management and oversight of services in the sectors of Health, Education, Water and Environment, and Micro irrigation, it was noted that for the year ended June 2021, the financing by GOU was below target by UGX 140.4Bn. • In accordance with the verification protocol set up in the UGIFT operations manual, Disbursement Linked Indicators (DLIs) were verified by independent assessors and found that some indicators not fully achieved while some were not implemented at all. It was also noted that in cases where recommendations were made by consultants to secure advance funding based on projected completion times, there was no follow up to confirm completion of implementation of the activities. Non-achievement of some indicators negatively affected the disbursement of funds and consequently impacted the achievement of the planned program results.
Uganda Industrial Research Institute (UIRI)	Innovation, Technology Transfer and Development	Unqualified	• Out of the budgeted NTR of UGX.0.25Bn, only UGX.0.151Bn had been collected representing a 60.4% performance. • Out of the approved budget of UGX.25.502Bn, UGX.22.7Bn was warranted resulting in a shortfall of UGX.2.8Bn. • The entity utilized all the UGX.22,701,309,578 that was warranted. • The budgets for all eight (8) outputs assessed were not supported by the individual activity costing and budgets. • Out of the twelve (12) fully quantified activities, I observed that the entity fully implemented four (4) activities; six (6) activities were partially implemented, while two (02) activities remained unimplemented.

			• Machines worth UGX.666,048,000 were delivered but not yet installed for utilization. • Out of 353 employees on the payroll, a total of 302 staff presented all the pre-requisite documents and were fully validated. • 46 employees worth UGX.110,695,499 were partially validated due to lack of some requisite information. • A total of 5 employees on the payroll worth UGX.21,815,482 did not appear for the validation. • One individual whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. • The entity did not utilize the wage amounting to UGX.228,210,980. • The entity did not have an approved and costed staff establishment. • UIRI was not enrolled on HCM/IPPS as required by MoPS and the entity's payroll was remotely prepared by the HR department on which salaries of employees are paid. • The entity-approved estimates of UGX.10,326,400,188 varied from the payroll costs of UGX.8,033,079,912. • The Machine, Manufacturing Industrial Skilling and development centre - Namanve was underutilized and most of the machines were idle. • I noted that twenty-two (22) Incubatees were operating with expired MoUs while five (5) were operating without signed MoUs.
Uganda Investment In Forests and Protected Areas for Climate Smart Development (IFPA-CD UWA)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• The total cumulative disbursements to date amounted to UGX.18.327Bn against expected disbursement of UGX.66.247Bn. leading to variance of UGX.47.92Bn. • I sampled eighteen (18) activities worth UGX.17.43Bn and noted that targets for eight (08) activities worth UGX.1.35Bn had been fully achieved while targets for the remaining nine (09) activities worth UGX.16.12Bn were yet to be achieved. • The project had an approved budget of UGX.45.65Bn (UGX.12.15Mn) for the financial year 2022/2023 out of which UGX.16.60 Bn was available for spending resulting in shortfall of UGX.29.05Bn representing 36.4% performance. • Out of the total available funds of UGX.16.60Bn, only UGX.4.24Bn was spent leaving an unspent balance of UGX.12.36Bn representing an absorption level of 26%. • The project implementation had been delayed and most planned project activities were not implemented as a result of slow procurement processes
Uganda Heart Institute (UHI)	Human capital development	Unqualified	• Out of the total receipts for the financial year of UGX.24.45Bn, only UGX.22.46Bn was spent by the entity resulting in an unspent balance of UGX.1.98Bn (representing an absorption level of 92%).

			• I assessed the implementation of two (2) outputs that had been fully quantified with a total of nine (9) activities and noted that one (1) output with four (4) activities was fully implemented while one (1) output with five (5) activities was partially implemented. • I reviewed the management of the Government salary payroll and observed that out of the 162 employees, 145 were fully verified while 17 employees who appeared for headcount were not on the payroll and were captured as new records. I also validated short-term/temporary staff and noted that out of the 59 staff, 58 were verified and 1 staff did not appear for head count. • Fifty (50) employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured on the main and short-term contract payrolls and data captured by NIRA on the National Identity Cards. • A review of the wage budgets and actual expenditure for the period 2019/20 to 2022/23 established that out of the UGX.34.88Bn budgeted and approved wage funds, only UGX.33.62Bn was spent resulting into unspent balances of UGX.1.25Bn. • The Heart Institute paid its employees on wrong salary scales/notches leading to overpayments of UGX.175.52m for 118 employees and underpayments by UGX.7.97m for 130 employees, 35 staff were paid a total of UGX.278.35m off the IPPS/HCMS payroll. I further noted that the salary payments to short-term staff appointed by the UHI were not processed through IPPS. The Institute paid a total of UGX.2.72bn to short-term staff from July 2019 to June 2023. • Out of 192 approved positions, a total of 160 positions were filled leaving a gap of 32 vacant positions. I further noted that 17 staff on the payroll were not on the staff list. • The Institute had long outstanding receivables of UGX.280,45m. • I noted inadequate budgeting for domestic arrears which stood at UGX.3.66bn at the beginning of the financial year under review. • There was inadequate funding for essential medicines; non-maintenance of dispensing logs and stock cards at the User departments to track consumption of medicines, accordingly the inspection of the medicines stores further revealed inadequate thermal insulation, lack of thermometers, inadequate storage space within the store and, cases of drug stock outs and discrepancies in quantities of items delivered. • It was established that due to inadequate funding for maintenance of medical equipment, five (5) equipment were not being utilized of which four (4) were beyond repair and due for disposal.

Uganda High Commission in Canada, Ottawa	Community mobilization and mindset change Development plan implementation Governance and security	Unqualified	• The embassy budgeted to collect Non-tax revenue UGX. 0.05Bn during the year. However only UGX. 0.027Bn was collected representing a 54% performance. • The embassy had a budget of UGX.5.4Bn, out of which all was warranted. • Out of the total warrants of UGX. 5.4Bn received, all only was spent 100%. • The mission mischarged 65,993.84 CAD (equivalent to UGX.182,606,275) during the year from the approved expenditure lines. • All the activities in the work plan were supported by individual activity costing and budgets. • I assessed the implementation of three (3) outputs that had been fully quantified with a total of twenty-seven (27) activities worth UGX.5.278Bn and noted that; One (1) outputs with nine (9) activities and expenditure worth UGX.0.135Bn were fully implemented. Two (2) outputs with eleven (18) activities worth UGX.5.143Bn were partially implemented. Out of the eleven (18) activities, the entity fully implemented nine (9) activities; two (2) activities were partially implemented, while seven (7) activities remained unimplemented. • The Accounting Officer did not budget for capital development. • I noted that UGX. 3.38Bn was budgeted and approved under the Wage Budget for the financial year; however, UGX. 3.36Bn was spent giving rise to a variance of UGX. 16Mn • Out of six (06). Employees on Uganda High Commission Ottawa June 2023 salary payroll, a total of five (05) (83.3%) were fully verified, while one (01) (16.7%) did not show up. • The Public Service Standing Orders, 2021 do not provide guidance on the management of short-term /temporary employees. • I noted that funds to the tune of CAD 39,523.65 (Equivalent to UGX.109,361,940) were irregularly diverted. • The High Commission had unsettled domestic arrears as at 30th June 2023 amounting to UGX.662Mn • The Mission owns properties at 235 Mariposa Avenue, Rock cliff Park and 231 Cobourg Street Ottawa ON KIN8J2 which are in a very sorry state and have been condemned by the Ottawa authorities. • I observed that a number of the mission assets are obsolete and require disposal.

Uganda High Commission in India, New Delhi	Agro-industrialization Development plan implementation Governance and security	Unqualified	• The entity budgeted to collect UGX.0.32Bn during the year. However, by the end of the year, the High Commission had collected only UGX.0.012 representing a performance of 3.8%. • The entity had an approved budget of UGX.4,834,538,918, out of which UGX.4,834,538,864 was warranted, representing 100% performance. • Out of UGX.4,834,538,864 that was warranted, UGX.4,668,473,194 was utilised leaving a balance of UGX.166,065,670 unutilised representing a performance of 97%. • The budgets for all three (3) outputs assessed were not supported by individual activity costing and budgets. • Three (3) outputs with a total of 38 activities worth UGX.4,834,538,918 had 12 activities fully implemented, 25 partially implemented and one (1) not implemented at all. • Six (6) home based employees on the June 2023 payroll presented the pre-requisite documents/information and were fully verified. • Out of 12 employees on local contract June 2023 salary payroll, a total of 11 (92%) presented all the pre-requisite documents/information and were fully verified. • UGX.1,654,138,666 was budgeted for FSA and local staff salaries and was all spent during the financial year. • 12 local staff did not have valid contracts. • There was inadequate follow up of business and educational offers once they are sent to the Ministry of Foreign Affairs for action.
Uganda High Commission in Kenya, Nairobi	Agro-industrialization Development plan implementation Governance and security Natural resources, environment, climate change, land and water Tourism development	Unqualified	• I noted that the Embassy budgeted to collect NTR of UGX.350Mn during the year out of which, only UGX.21Mn was collected, resulting into a shortfall of UGX.329Mn. • I assessed the implementation of six (6) outputs with a total of eleven (11) activities worth UGX.14.402Bn and noted that only one output was fully implemented, four were partially implemented, while one was not implemented at all. • The Mission had not undertaken a mid-term review of the Strategic Plan. • The Mission signed a contract for refurbishment of Uganda House in Nairobi Kenya at KShs.740,592,223 (equivalent to UGX.24.4Bn). The works commenced on 20th June 2022 and completion date was agreed as 19th December 2023. By the time of audit in September 2023, 448 days out 547 days (81.9%) of the construction period had elapsed. However, the works were at 69.7% completion. The delayed completion of works creates risks of escalation of supervision and construction costs.

Uganda Embassy in Abuja, Nigeria	Agro-industrialization Community mobilization and mindset change Governance and security	Unqualified	• The entity had a budget of UGX. 6,634,711,419, out of which UGX. 6,634,711,419 was warranted. • Out of the total warrants of UGX. 6,634,711,419. I reviewed the utilisation of warrants worth UGX.5,382,052,000 (81%). • The entity budgeted to collect UGX.87million during the year. However, by the end of the year, only UGX.38 million had been collected, representing 43.7% performance. • Out of the total warrants of UGX.6.634Bn availed to the Embassy during the year, UGX.6.634Bn was utilised representing 100% performance. • Two (2) outputs with ten (10) activities and expenditures worth UGX.2.5 Bn were fully implemented. • Four (4) outputs with 21 activities worth UGX.4.1Bn were partially implemented. Out of the 21 activities, the entity fully implemented four (4) activities; 14 activities were partially implemented, while three (3) activities remained unimplemented. • The entity had a wage budget of UGX.864,229,418., out of which UGX.933,922,218 was utilised. • Six (6) home-based staff were all fully verified. • All the 19 employees (100%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • I reviewed the budgets and actual expenditure for FYR 2022/23 and noted that out of the UGX.864,229,418, budgeted and approved wage funds for the financial year, only UGX.933,922,218 was spent, giving rise to over-expenditure amounting to UGX.69,692,800. • I noted that funds to the tune of Naira 1,826,747.20 (UGX.8,751,985) were irregularly diverted from contract salary code 211102. • Five (5) approved positions for the home-based staff were filled. • All embassy land is titled and is being utilised. • The Embassy paid the contractor an advance of ₦.524,562,316.03, (equivalent to UGX.2,496,999,151), in two instalments , ₦.339,538,414 was paid in the financial year 2021/22 and the balance of ₦. 185,023,901.16 settled on 17th February 2023. On 17th February 2023, M/s Lubell Nigeria Ltd issued an interim certificate No. 2 amounting to ₦. 336,045,486.54, for which the Embassy made a part payment of ₦. 200,000,000.00 on the 23rd March 2023, leaving a balance of ₦. 136,045,486.54, equivalent to UGX.647,597,919.. • Funds for financing the construction project to completion had been appropriated on the Mission capital expenditure budget for the financial year 2023/24. However, no funds had been released to the Mission at the time of the audit.

Uganda High Commission in Rwanda, Kigali	Community mobilization and mindset change Governance and security Tourism development	Unqualified	• The entity budgeted to collect NTR of UGX.60,000,000 during the year under review. Out of this, only UGX.42,999,842 was collected, representing a performance of 71.67 % of the target. • The Mission had a budget or UGX.3.379 Bn which was all received, however UGX.3.217 Billion was absorbed resulting in unspent funds of 96.43%. • During the year under review, the Mission paid rent amounting to UGX.594,753,612.64 which is 18.48% of the total Mission expenditure for the year of UGX.3,217,632,489, in regard to rent which is very high. • Kigali Mission had six (6) home based staff on the June 2023 payroll, 5 based employees turned up for the payroll verification exercise and were verified (100%), one staff was added as a new record, the incoming Finance Attaché'. • Kigali Mission had ten (10) local staff on the June 2023 payroll, all the 10 local based employees turned up for the payroll verification exercise and were verified (100%). • I established that, as per the June 2023 payroll of the Mission the total monthly base pay for Home staff in regard to Foreign service Allowance (FSA) and Representation Allowance (RA) for the Home based staff was USD $ 17,169.58 and USD $ 1,000 respectively. • The total monthly base pay for complete- verified Local based employees was established to be net pay of USD $ 9,012.
Uganda High Commission in South Africa, Pretoria	Agro-industrialization Community mobilization and mindset change Governance and security Manufacturing Tourism development	Governance and Security	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX 0.22Bn during the year. However, by the end of the year only UGX 0.011Bn had been collected representing an 5% performance. • Out of the total warrants of UGX 7.55Bn availed to the entity during the year, UGX.7.55Bn was utilized. • I observed that the budgets for eight (8) outputs assessed were not supported by individual activity costing and budgets. • I assessed the implementation of one (1) outputs that had been fully quantified with a total of five (5) activities worth UGX 1.214Bn and noted that; All the five (5) activities and expenditure worth UGX1.214Bn were fully implemented. • A review of the Mission expenditures revealed that the entity charged wrong expenditure codes to a tune of CH. 14,502.47. • Out of eight (8) (100%) home based employees on the Uganda Embassy Geneva June 2023 FSA payroll, a total of eight (8) (100%) were fully verified. • Out of nine (9) (100%) employees on local contract June 2023 salary payroll, a total of nine (9) (100%) were fully verified.

			• I reviewed the budgets and actual expenditure for the FYR 2022/23 on FSA and local staff salaries and wages. I noted that UGX.1,795,797,928 was budgeted and approved for the financial year however; UGX. 2,124,256,554 was spent giving rise to a variance of UGX. 328,458,626. • I noted that M/s Old Mutual Insurance was paid CH.159,405.95 during the period under review in addition to medical top of staff of CH.16,238.64. • Although the approved staff structure of the Mission has been filled as indicated above, the Foreign Service Officers are inadequate to attend all the bilateral and multilateral engagements at the same time. As such the Country misses out in critical Committee activities and consequently undermining the performance of the Mission given that Geneva is a host to many international organisations. • I noted that the Mission made payments totalling to CH. 551,948.43 in respect of hire of Office space, the Chancery and staff accommodation for all homed based staff. • I noted the that Foreign Service allowance of USD 31,904.38 for the month of June 2023 amounting to CH. 31,904.38 was not paid. • A review of the payment revealed that the narrations do not provide in detail what the payments are being made for. For example, the Accountant states in the description that the payment is for "allowances" without being specific if the type of allowances. (FSA, SDA, Periderm etc.).
Uganda High Commission in Tanzania, Dar-es-Salaam	Community mobilization and mindset change Development plan implementation Governance and security Manufacturing private sector development	Unqualified	• The entity budgeted to collect UGX.0.084Bn during the year but collected UGX.0.083 representing a performance of 98%. • The entity had an approved budget of UGX.9,951,136,312, out of which UGX.4,951,136,312 was warranted, resulting in a shortfall of UGX.5,000,000,000 representing 50% performance. All the warrants were utilised. • The budgets for all eight (8) outputs assessed were not supported by individual activity costing and budgets. • Eight (8) outputs with a total of 36 activities worth UGX.4,951,136,126 were partially implemented.

	Sustainable petroleum development		• Out of seven (7) home-based staff, six (6) were fully verified while one (1) employee did not show up for the validation exercise but was accounted for by the Accounting Officer as he was on leave. • Out of 18 Local Contract staff, 16 were fully verified, two (2) employees did not show up for the validation exercise while three (3) employees were not on the High Commission payroll. • UGX.2,249,819,763 was budgeted for salaries and wages during the year however; UGX.2,092,211,461 was spent giving rise to a variance of UGX.157,608,302. • Whereas some staff were given contracts of 24 months, other staff were given contracts of only 12 months. • The Mission owns two plots of land in prime locations in the city centre however, this land has remained un-developed/underutilized for more than five (5) years.
Uganda High Commission in the United Kingdom	Agro-industrialization Development plan implementation Governance and security	unqualified	• Out of the NTR budget of UGX 3.4Bn during the year under review only UGX.0.799Bn was attributed to the mission, representing a performance of 24% of the target. • Examination of the statement of appropriation revealed that the mission incurred an excess expenditure of UGX 29,361,876 on goods and services without necessary approval. • A sum of £12,166.29 was charged on item codes that are different from the prescribed ones without necessary approvals. • Owing to the poor state of the official residence, the mission was incurring £7000 per month on rent for the High commission.
Uganda Hotels and Tourism Training Institute (UHTTI)	Tourism Development	Unqualified	• Out of the total receipts for the financial year of UGX.12.169Bn, the Institute spent UGX.7.187Bn, resulting in an unspent balance of UGX.4.982Bn representing an absorption level of 59%. As a result, I noted that construction of girls' hostel worth UGX.2.844Bn was not implemented and Non Tax Revenue of UGX.2.139Bn was not transferred to the Consolidation Fund, leading to idle resources and hence affecting service delivery. • Out of 141 employees on the Uganda Hotel and Tourism Training Institute on the February 2023 salary payroll, a total of 126 (89.4%) were fully verified, 11 (7.8%) partially verified, while 4 (2.8%) did not show up. The employees who did not appear for the validation and were paid UGX.1,375,609 and were removed from the payroll in consultation with the Accounting Officer. • A total of 45 employees on the Main payroll had inconsistencies in their names, NINs and dates of birth captured in the payrolls and data captured by NIRA on the

			National Identity cards. Inconsistent information undermines the integrity of the entity's records and may complicate the employee service history and retirement procedures.
Uganda Human Rights Commission (UHRC)	Governance and security	Unqualified	• UHRC budgeted to collect NTR of UGX.160Mn during the financial year. However, by the end of the year, only UGX.14.4Mn had been collected, representing a 9% performance. • UHRC had an approved budget of UGX.20.240Bn, all of which was warranted. Out of the total warrants, UGX.19.997Bn was utilised, resulting in un-utilised warrants of UGX.0.242Bn representing 99% utilisation. • Six (6) outputs with 56 activities worth UGX.1.623Bn were partially implemented. Out of the 56 activities, the entity fully implemented 46 activities and 10 activities were partially implemented. • I observed delays in implementing five (5) major activities affecting the mandate of UHRC which affected service delivery. • Of the total closing case load of 1,521 cases, 263 cases were partly heard by the tribunal, while 1,258 cases were pending hearing. • Out of 211 employees, a total of 206 (98%) who appeared for the validation exercise presented all the pre-requisite documents and information and were fully verified. • 22 employees on the Main payroll had inconsistencies between their names, NINs, dates of birth and gender as captured in the main payrolls with the data captured by NIRA on the National Identity cards. • Out of the UGX.36.535Bn budgeted wage funds for the four financial years, only UGX.34.629Bn was spent giving rise to unspent balances amounting to UGX.1.907Bn • Out of 220 approved positions, only 206 positions were filled leaving a gap of 14 vacant positions. • UHRC had outstanding domestic arrears of UGX.267,519,144 as at 30th June 2023, and these were outstanding for two (2) financial years
Uganda Industrial Research Institute (UIRI) (2022)	Innovation, technology development and transfer	Unqualified	• I reviewed the NTR estimates, revenue sources and rates charged at vote level for the financial year 2021/2022 and noted that the Institute budgeted to collect NTR of UGX.0.26bn during the year under review. Out of this, only UGX.0.163Bn was collected, representing a performance of 62.7% of the target. • The entity was supposed to receive UGX.23.4Bn out of which UGX.22.980 was warranted resulting in a shortfall of 0.42Bn.

			• Funds to the tune of UGX.206,560,781 were irregularly diverted from the activities on which they were budgeted and spent on other activities without seeking and obtaining the necessary approvals. • UIRI currently does not have a board to oversee the operations of management. This constitutes a major governance and supervision anomaly in regard to the operations of the Institute.
Uganda Institute of Communications Technology (UICT)	Digital Transformation	Unqualified	• According to the approved estimates for locally generated revenue for the FYR 2022/2023, the entity budgeted to collect UGX.5.141 Bn during the year. However, by the end of the year, only UGX.1.803 Bn had been collected representing a 35% performance. Under collection of revenue at Institute level negatively impacts implementation of activities. • Out of 197 approved positions, a total of 39 positions were filled leaving a gap of 158 vacant positions. Understaffing hinders the Institute's ability to deliver on its objectives. • It was observed that planned procurements worth UGX.1.022Bn were not implemented by 30th June 2023. As such the planned services were not achieved.
Uganda Investing in Forests and Protected Areas for Smart Development (IFPC-CD) Project	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• Out of the total available funds of UGX.16.60Bn, only UGX.4.24Bn was spent, resulting in unspent balance of UGX.12.36Bn, representing an absorption level of 26%. • The project implementation had been delayed and most planned project activities were not implemented as a result of slow procurement processes. The failure to utilize the released funds resulted into non-implementation of planned activities. The unimplemented activities included: Establishment and maintenance of marram roads (UGX.0.427Bn); Human Wildlife conflict infrastructure (UGX.2.445Bn), Equipment for communications (UGX.2.448Bn), and Boundary demarcation for impacted areas by refugees (UGX.0.584Bn).
Uganda Investment Authority (UIA)	Manufacturing Private sector development	Unqualified	• The entity had an approved budget of UGX.86.114Bn from the various programmes out of which UGX.49.9Bn was warranted resulting in a shortfall of UGX.36.21Bn representing a 72.6% performance. • Out of the total funds of UGX.49.9Bn available to the entity during the year, UGX.49.62Bn was utilized resulting in unutilized funds amounting to UGX.0.27Bn representing 99% utilization. • The Authority budgeted to collect NTR amounting to UGX.0.418Bn during the year. However, by the end of the year, UGX.0.460Bn had been collected representing a 10% surplus.

			• Out of 67 employees on UIA February 2023 salary payroll, a total of 65 (97%) were fully verified while 2 (3%) did not show up. Under no shows, one staff was away on official duties while the other had resigned. One individual whose name was not on the payroll appeared for the validation exercise with all pre-requisite documents. • Out of the UGX.22.18Bn Budgeted and approved wage funds for the four financial years (2019/20 to 2022/23), only UGX.20.62Bn was spent giving rise to unspent balances amounting to UGX.1.59Bn. • Out of 124 approved positions, 66 positions were filled leaving a gap of 58 vacant positions as per the establishment. • Review of the Statement of Financial Position revealed that there were no comparatives figures to enable comparison of the corresponding restated prior year's figures regarding the change in accounting treatment for non-current assets. • The Authority had receivables of UGX.21.42Bn at the end of the financial year. In addition, receivables increased by UGX.22.43Mn (0.1%) from the previous year. • The Authority had outstanding payables of UGX.1.9Bn relating to unpaid rent, goods and services consumed, and property, plant and equipment. • The Authority has 27,877.16 acres of land across the country, which have not been revalued for over 10 years. • Under the KIBP project, nine out of 11 activities worth Euro.210,828,497.95 (UGX.832.77Bn) were yet to be achieved. Further, for the year under review, only UGX.117.42Bn was spent out of the total available funds of UGX.221.25Bn, resulting in an unspent balance of UGX.103.83Bn representing an absorption level of 53%. • The Authority used current year budget provisions for Gratuity and WHT funds to clear an administrative assessment relating to unpaid PAYE and WHT amounting to UGX.460Mn. • Approved procurements with an estimated cost of UGX.1.23Bn in the consolidated annual procurement work plan were not implemented. • The Authority retained UGX.800Mn unspent balances at the end of the financial year, without appropriate approval. The unspent funds were irregularly transferred to the project account.
Uganda Land Commission (ULC)	Natural resources, environment, climate change, land and water	Unqualified	• Out of the budget of UGX 40,109,501,000, only UGX 30,225,578,922 was warranted resulting in a shortfall of UGX 9,883,922,078 (25%). • Three (3) outputs with eleven (10) activities worth UGX 25.9Bn were partially implemented. • Out of 38 staff on February 2023 main salary payroll, 36 Staff (94%) were fully verified, while 2 (6%) staff did not show up.

			• The Commission's payables increased from UGX 138,737,052,072 in last year 2021/2022 to UGX 148,977,999,039 in the current year. • There is no comprehensive land inventory or register, therefore the Commission is not aware of all its land. • The land Fund has never been put in place though there is a law that created it. • The Commission members do not have specific qualifications and experience in matters related to land.
Uganda Law Reform Commission (ULRC)	Governance and Security	Unqualified	• According to the approved NTR estimates for the financial year of UGX.5.56Bn, ULRC collected UGX.0.108Bn, representing a 2% performance. • Out of the total receipts for the financial year of 17.686Bn availed to the entity during the year, UGX.16.555Bn was spent by the entity, resulting in an unspent balance of UGX.1.131Bn representing an absorption level of 94%. • I assessed the implementation of the work plan and observed that of the 23 activities worth UGX.13.048Bn assessed, five (5) outputs worth UGX.6.453Bn were fully implemented, while Four (4) outputs worth UGX.6.181Bn were partially implemented, and One (1) output worth UGX.0.414Bn was not implemented at all. • Delays in delivery of services from implemented activities was noted for example in translation of the LCCA to Samya and Lunyole, the Domestic Violence Act to Rufumbira and Lutwa, the publishing of the 7th edition of the revised Principal Laws of Uganda, and the publication of study reports on the reform of the Animal (Prevention of Cruelty) Act, Cap.39 The Industrial Licensing Act, The Warehouse Receipt System Act (No.14 of 2006) and Business-related laws (Copyright, Companies Act) • I reviewed the management of the payroll and noted that the ULRC payroll had 48, out of which a total of 48 employees (100%) were fully verified. Four (4) individuals whose names were not on the payroll appeared for the validation exercise with all pre-requisite documents. I also noted that out of 83 approved positions, a total of 52 positions were filled, leaving 31 vacant positions. • The commission had outstanding domestic arrears amounting to UGX.9.860Bn on 30th June 2023. This balance remained the same as the prior year's closing balance.
Uganda Management Institute	Human capital development	Unqualified	• The entity had an approved budget of UGX 36.962Bn from the various programmes out of which UGX 36.780Bn was warranted representing a 99.5% performance. • Out of the budgeted Non Tax Revenue (NTR) of UGX 18.608Bn, only UGX 13.75Bn had was collected representing a 74% performance. • Out of the total warrants of UGX 36.781Bn availed to the entity during the year, UGX 36.47Bn was utilized resulting in un-utilized warrants of UGX 0.31Bn representing a 99% utilization.

			• The implementation of four (4) outputs that had been fully quantified with a total of twenty-one (21) activities worth UGX.2.53BN was assessed and noted that all the (4) outputs were not fully implemented. • Four (4) outputs with twenty-one (21) activities worth UGX.2.53BN were partially implemented. Out of the twenty-one (21) activities, the entity fully implemented nine (09) activities; five (05) activities were partially implemented, while seven (07) activities remained unimplemented. • Out of 198 employees on UMI June 2023 salary payroll, a total of 196, (99 %) were fully verified, 0 (0 %) partially verified, 0(0%) not verified, while 2 (1%) did not show up. • Out of 282 approved positions of the UMI establishment, a total of 197 positions were filled representing 67% of the establishment leaving a gap of 85 (33%) vacant positions. • The entity is not enrolled on the IPPS/HCM which undermines the rationalisation of the HCM investment, accountability, transparency and improved service delivery achieved through the automation of human resource processes. • Sixteen (16) employees on the UMI payroll were above the mandatory retirement age drawing a monthly gross pay of UGX 161,124,550 as per the June 2023 payroll.
Uganda Microfinance Regulatory Authority (UMRA)	Private sector development	Unqualified	I noted the following; • That UMRA had an approved NTR estimates of UGX 0.89Bn for the FY 2022/2023, out of which UGX.1.12Bn had been collected representing a 125.8% performance. • UMRA had an approved budget of UGX 15.140Bn from its one program out of which UGX. 11.883Bn was warranted representing a 78.49% performance. • A total of 35 (100%) employees of UMRA who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. • Out of 89 approved positions, a total of 35 positions were filled leaving a gap of 54 vacant positions. • UMRA had not implemented procurements UGX.1.285Bn as planned. • UMRA had not fully constituted the Board. Further noted that the Board had never conducted any evaluation of the individual Board members or the Board as a whole. • 18 SACCOs were irregularly licensed without meeting the minimum criteria under the Tier 4 Microfinance Institutions and Money lenders Act. • UMRA had irregularly renewed licenses of SACCOs. • UMRA failed to collect monthly, quarterly and annual returns or enforce payments of penalties from 35 SACCOs. • UMRA failed to regulate the online money lending operators in Uganda. • UMRA failed to constitute the SACCO Savings Protection Fund

Uganda Mission at the United Nations, New York	Development plan implementation Governance and security Tourism development	Unqualified	• I noted that the entity budgeted to collect NTR of UGX.5,900,000,000 during the year however, UGX.6,567,738,836 was collected representing 110% performance. • The entity budgeted to receive UGX.18,114,004,079 out of which only UGX.18,102,169,781 was received leaving a balance of UGX.11,834,298 representing a 99.9% performance. • Out of the total receipts for the financial year of UGX.18,102,169,781, a sum of UGX.17,299,523,040 was spent by the entity resulting in an under expenditure of UGX.802,646,741 representing an absorption level of 95.6%. • I assessed the implementation of four (6) outputs/key deliverables that were fully quantified with 30 activities worth UGX.17,086Bn and noted that 23 activities representing 77% were fully implemented while three (3) activities representing 10% were partially implemented. • The mission had ten (10) home based staff on the June 2023 payroll out of whom nine (9) (90%) were verified while 1 (10%) with a total monthly Foreign Service Allowance (FSA) and Representation Allowance (RA) of UGX.20,676,269 (USD.5,638.27) was not verified. • Out of 17 local Contract staff who were on the mission's payroll for June 2023, a total of 16 (94%) employees who appeared for the validation exercise presented all the pre-requisite documents/information to confirm their existence and regularity of recruitment. • One (1) home based staff on the payroll for June 2023 did not appear for the headcount. • It was however observed that while 4 positions were vacant, 4 positions were over filled without approval of Ministry of Public Service. • I noted cases where the Mission's current staff structure does not provide the required human resources to effectively execute the mandate of the Mission. • The Mission failed to transfer end of year balances amounting to UGX.2,310,760,975 to the Consolidated Fund. • The Mission had UGX.871,539,428 billed rental revenue that remained uncollected by the end of the financial year. • The Mission had deposits amounting to UGX.1.319,012,644 relating to security deposits received from tenants of both Uganda House and Townhouse for which tenancy leases were agreed and signed accordingly. It was observed that one of the tenancy contract had expired in November, 2022 and yet the Mission does not anticipate to renew this particular contract. Two (2) of the tenancy contracts were yet to expire in the coming year. • The mission is pursuing a case against the former tenants of Townhouse located at 111 East, 70th Street, New York for arrears totaling to USD.840,025 for non-

			payment of the rental dues and had so far spent USD.125,512.49 in court proceedings with minimal success. • The Mission is in urgent need of funds for capital development to a tune of UGX.2,217,500,000 to cater for conditioning installation, procurement of furniture for newly posted staff and Uganda House and undertaking repairs and refurbishment of the Embassy building. • The Accounting Officer did not convene quarterly Finance Committee meetings during the financial year under review contrary to the requirements of the Treasury Instructions.

Uganda Multi-Sectoral Food Security and Nutrition Project (UMFSNP)	Agro-Industrialization	Unqualified	• Interviews with management indicated that a pre-feasibility study and a detailed feasibility study were undertaken prior to execution of the project. However, no evidence to this effect was availed to for verification. • Out of an expected total disbursement of UGX.128.168Bn, UGX.124.236Bn was disbursed as of 30th June 2023, leaving a balance of UGX.3.932Bn undisbursed. • I sampled nine (9) activities worth UGX.53.876Bn and noted that targets for five (5) activities worth UGX.52.938Bn had been partially achieved while targets for the remaining four (4) activities worth UGX 0.938Bn were yet to be achieved. • I observed that the approvals for this supplementary funding by Parliament were delayed by eight (8) months which was eventually not honoured. The Accounting Officer requested for the supplementary on 4th October 2022 and the approval was communicated on 25th May 2023 by MOFPED. • Out of the total available funds of UGX.13.047Bn only UGX.10.654Bn was spent resulting in unspent balance of UGX.2.393Bn representing an absorption level of 82%. • I noted that the project closure date is 29th December 2023 and there was evidence that management had put in place sustainability measures to ensure that the gains made during the project lifetime are not lost once the project closes. • On 9th September 2021, the World Bank through the Global Agriculture and Food Security Program (GAFSP) agreed to extend additional financing to UMFSNP to a tune of USD 7M to support short and medium-term responses to impacts resulting from the COVID-19 pandemic. However, with less than six (6) months to the closure of the Project, USD3.5M (50%) had not been utilised by the Project. • UMFSNP initiated four (4) procurements with twenty (20) lots worth UGX.11.2Bn to provide WASH facilities, value addition equipment, materials and seed for different interventions under the project. However, at the time of writing this report (December 2023), 17 contracts had been signed on 8th December 2023.
Uganda National Airlines Company Limited (UNACL)	Integrated Transport and Infrastructure Services	Unqualified	• Although the Company budgeted to collect revenue UGX.491.8Bn from operations, during the year, only UGX.230.4Bn was realised representing a 46.8% performance. • All the budgeted GOU funding of UGX.85,630,000,000 was warranted resulting into 100% performance. • I assessed the implementation of eighteen (18) outputs with a total of seventy (70) activities worth UGX.222.9Bn and noted that; two (2) outputs with seven (7) activities with expenditure of UGX 62.2Bn were fully implemented, thirteen (13) outputs with fifty-six (56) activities worth UGX. 156.9Bn were partially implemented and three (3) outputs with seven (7) activities worth 3.8Bn were not implemented at all.

			• The Airline was unable to start the new routes of Mombai, Lagos, Jeddah Guangzhou, and London at the planned times due to regulatory constraints. This affected the achievement of targets for the passenger numbers, passenger revenue, total number of routes, average Load factor, average route fare per passenger and total hours of operation per aircraft type among others. • Out of 501 employees on Uganda Airlines March 2023 salary payroll, a total of 429 (85.6%) were fully verified, 1 (0.2%) was not verified, while 71 (14.2%) did not show up. • I established that out of 857 approved positions, a total of 500 positions were filled leaving a gap of 357 vacant positions as per the establishment. I further observed that the position of Cabin Crew Purser was overstaffed by one (1) staff. The understaffing is because the staff numbers are based on the planned routes some of which have not yet been launched. • I reviewed a sample of 283 files out of 501 staff files and noted that fifty-seven (57) staff had their job positions not provided for in the Company's approved Job Description Manual. • Out of a sample of 283 staff whose files were reviewed, 17 were appointed to various positions without meeting the minimum required job specification. • The Company recomputed (estimated) wage budget for FY 2023/24 is UGX.75,214,222,848 to cater for 623 employees. A comparison of the Company-approved wage estimates of UGX.80,974,470,121 with the recomputed payroll costs of UGX.75,214,222,848 revealed that the Accounting Officer Overestimated the wage cost by UGX.5,760,247,273 for Financial year 2023/2024. • I established that there was a long outstanding receivable amount of UGX.205,985,764.60 from Sharaf Travels LLC since 1st September, 2021 appointed as the exclusive General sales agent (GSA) in defined territory of UAE. • UNACL paid a total of USD 262,345.64 to a fraudulently created bank account purportedly to be in the names of- the Civil Aviation Authority of DRC. This resulted into a financial loss to the Company. • Included in the payables of UGX 116,520,130,000 as at 30th June 2023, is an amount due to UCAA of UGX. 20,478,788,049 that has been outstanding since 2019. • The results from the computation of the company's operating margin ratio revealed that Company is not performing well in terms of profitability and ability to sustain provision of services. • There were un-favourable Contract terms between UNACL and Roll-Royce PLC where UNACL is supposed to make a monthly advance payment for actual and un-

			flown hours. At the time of audit in November 2023, Rolls-Royce Plc was demanding UNACL USD 7,255,466.63.
Uganda National Bureau of Standards (UNBS)	Agro-industrialization Manufacturing Private sector development	Unqualified	• The Bureau had budgeted to collect UGX.44.1Bn during the year but collected UGX.64.9Bn representing a 147% performance. • The entity had an approved budget of UGX.46.6Bn from the various programmes out of which UGX.45.2Bn was warranted resulting in a shortfall of UGX.1.43Bn (3.1%). • Out of 482 employees on the UNBS February 2023 salary payroll, a total of 478, (99%) were fully verified, while 4 (1%) did not show up. Those who did not show up had genuine reasons and were left on the payroll. • UNBS has an organogram/staff establishment that was last approved by the National Standards Council in 2014, yet the Bureau's mandate and operations have expanded over time; as a result, it does not reflect the entity's needs. • The Bureau had a total of six (6) Bank accounts and out of these, 5 were operational while one was closed, however, I was not provided with authorization to open them. • Funds amounting to UGX.13.136Bn on various commercial banks were spent at source and therefore not transferred to the UCF as required by the Public Finance Management Act 2015. • The Bureau incurred a loss of UGX.9.282Bn due to backdating the inspection dates on the electronic portal system used for imported goods clearance by the Bureau. • I observed several irregularities in the Procurement for Provision of PVOC – Service Providers for Used Motor Vehicles that have led the country to continue importing vehicles without a proper contract for inspection. • Planned procurements worth UGX.763Mn were not yet implemented by 30th June 2023.
Uganda National Council for Science and Technology (UNSCT)	Innovation, Technology Transfer and Development	Unqualified	• UNCST had a revenue budget of UGX.28.84Bn during the year under review. By the end of the year only UGX.25.2Bn had been realized, representing a performance of 89% of the target. • Out of the total receipts of UGX.9.4Bn from GoU and Development Partners, UGX.9.2Bn had been spent representing utilization of 97%. • I noted material mismatches between the activities, targets, and costs in the approved work plan and what is reported in the performance report prepared by the Accounting Officer. • For the NSTEI-SEP project, out of the expected total cumulative disbursements of UGX.322Bn from donors and UGX.114.0Bn from GoU, UGX.211.4Bn and UGX.58.3Bn had been disbursed representing a performance of 65.6% and 51%

			respectively. Out of 12 planned targets, two (02) were fully achieved, six (06) partially achieved, and four (04) not yet achieved. • Out of the approved budget for FYR 2022/2023, for NSTEI-SEP project of UGX.19.4Bn, UGX.16.2Bn had been realized representing a performance of 84%. Out of the total UGX.11.9Bn project funds available for implementation of activities during the financial year 2022/2023, UGX.9.9Bn had been spent by close of financial year representing an absorption of 83%. • There were delays in completion of civil works for the construction of the National science & Technology Entrepreneurship Innovation Centre by six (6) months • UNCST has 15 acres of project land in Namanve that had not been utilized by close of the financial year. • I reviewed UNCST payroll and noted that all the fifty-eight (58) staff on the February 2023 payroll were fully verified. • 12 employees on the February payroll had inconsistencies in their names, and dates of birth. • I reviewed the payroll budgets and actual expenditure for the period 2019/20 to 22/23 and noted that out of the UGX.16.5Bn budgeted and approved wage for the four financial years, only UGX.15.3Bn had been spent representing a performance of 93% • UNCST did not have minutes of appointment of its employees. • Out of 92 approved positions in the staff structure, a total of 58 Positions were filled representing 63% • UNCST had outstanding receivables of UGX.2.8Bn an increase from UGX.0.3Bn as at 30th June 2022. • I noted that there were challenges in regulation of research and innovation such as, failure to conduct STI survey since 2014, lack of a national STI knowledge management system, lack of a policy guiding management of Access and Benefits Sharing, inadequate specialized research scientific committees, and inadequate monitoring of research studies.
Uganda National Cultural Centre (UNCC)	Human Capital Development	Qualified	• Out of the approved budget of UGX 2,838,844,000, a sum of UGX 2,491,117,3170 was realized, representing 86% performance of the total budget for wage. • Out of the approved budget of UGX 1,268,844,000 for internally generated revenue, a sum of UGX 921,117,317 was realized, representing 73% performance, resulting into a shortfall of UGX 347,726,683, representing 27% of the total budget. • During the last four financial years, UNCC had a wage budget of UGX. 9,202,000,000, out of which UGX. 7,044,100,000 was released, representing 77%, and UGX. 6,786,471,954 was utilised representing 96% of the release.

			• Out of the 47 employees on UNCC February 2023 salary payroll, a total of 40 (85%) were fully verified, 0 (0 %) were partially verified, 0(0%) were not verified, while 7 (15%) did not show up for verification. • The entity has receivables of UGX. 2,739,847,748, some of which have been outstanding for more than 10 years. • Payables to M/s Ambitious Construction Co. Ltd of UGX 652,414,611 have taken over 5 years without being settled. • The term of the office for the trustees expired and has not been renewed for more than one year.
Uganda National Examination Board (UNEB)	Human capital development	Unqualified	• The entity budgeted to collect Non Tax Revenue (NTR) of UGX.52.11Bn during the year. However, by the end of the year UGX.55.53Bn had been collected, representing a 106% performance. • Out of the total funding of UGX.126.73Bn availed to the entity during the year, UGX 126.73Bn was utilized representing 100% utilization. • The budgets for three (3) out of four (4) outputs assessed were not supported by individual activity costing and budgets. • Out of the four (4) outputs, three (3) outputs with twenty-two (22) activities and expenditure worth UGX 62.45Bn were fully implemented. One (1) output with three (3) activities worth UGX 2.74Bn was partially implemented. • Out of 257 employees on UNEB February 2023 salary payroll, a total of 256 (99.6%) were fully verified while 1 (0.4%) did not show up. Two (2) individuals whose names were not on the payroll appeared for the validation exercise with all requisite documents. • Thirty-eight (38) employees on the payroll had inconsistencies in their names, 160 employees had inconsistencies in their dates of birth and 77 employees had inconsistencies in their gender. • Out of 314 approved positions, 259 were filled, leaving a gap of 55 positions. • UNEB lacked an Operations and Maintenance policy. • UNEB also had not formulated the policy on monitoring and evaluation of Board activities.
Uganda National Medical Stores (NMS)	Human capital development	Unqualified	• Out of the budget of UGX.513.090Bn, a total of UGX.505.412Bn was warranted resulting into 98.5% performance. • NMS budgeted to collect NTR of UGX.49.1Bn, however UGX.37.3Bn was collected representing a 75.9% performance. • Out of the total warrants of UGX.505.412Bn availed to the entity during the year, UGX.505.411 was utilised representing a performance of 99.99%.

			• Out of 378 employees on the NMS February 2023 Main payroll, a total of 369, (98%) were fully verified and the 9 (2%) who did not show up were accounted for as having left NMS service on 1st March 2023. • Out of 36 employees on the NMS temporary payroll of February 2023, a total of 35, (97%) were fully verified while one individual (3%) did not show up after having left NMS service 1st April 2023. • Seven (7) employees on the Main payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • The entire UGX.63.655Bn budgeted and approved wage funds for the period 2019/20 to 2022/23 was spent. • Out of UGX.0.141Bn Local Service Tax (LST) deducted during the four-year payroll audit period, only UGX.0.127Bn was remitted to the beneficiary Local Councils resulting into the difference of UGX.0.013Bn not to have been remitted by the end of the year under review. • Out of 424 approved staffing positions, a total of 372 positions were filled leaving a gap of 52 vacant positions. • Out of 3,254 health facilities, a total of 3,183 health facilities did not receive their required/planned supplies worth UGX.26.403Bn. • Non-viable (Expired stocks) increased from UGX.13.418Bn at the close of last year to UGX.33.008Bn by the end of the year under review representing a 146% increase. This was despite the value of stocks dispatched decreasing from UGX.2,381Bn to UGX.1,461Bn representing a 39% decrease. • Out of the 12,595,920 doses of COVID-19 vaccine in the Government approved vaccine store at NMS, 5,619,120 doses had expired leaving a balance of 6,976,800 viable doses. In addition, of the 6,976,800 viable doses, 5,803,200 were expiring on 30/12/2023 if not utilized. The expired vaccines in the stores of NMS were valued at UGX.28.159Bn.
Uganda National Meteorological Authority (UNMA)	Natural resources, environment, climate change, land and water	Unqualified	• The Authority collected NTR of UGX UGX.0.36Bn out of the estimated UGX 2.0Bn representing a performance of 18%. • The Authority had an approved budget of UGX.17.66Bn from the various programmes out of which UGX.14.62Bn was warranted resulting in a shortfall of UGX.3.04Bn representing 83% performance. • Out of the total warrants of UGX.14.62Bn availed to the entity during the year, UGX.14.51Bn was utilized resulting in un-utilized warrants of UGX.0.11Bn representing 99.2% utilization.

			• I assessed the implementation of nine (9) outputs that had been fully quantified with a total of eighty-one (81) activities worth UGX.14.51Bn and noted that; none of the Outputs was fully implemented, Seven (7) outputs with seventy (70) activities worth UGX. 14.51Bn were partially implemented while Two (2) outputs with eleven (11) activities were not implemented at all. • I reviewed the Authority's payroll and noted that out of 197 employees on UNMA February 2023 salary payroll, a total of 192 (97.5%) were fully verified, 0 (0%) partially verified, 0(0%) not verified, while 05(2.5%). • Further review of the payroll revealed other anomalies including Individuals on the Payroll above the statutory retirement age, Individuals with Discrepancies in their name, Individuals without employee numbers, Individuals with minutes from board which could not be confirmed, Variances between the approved establishment and the filled positions, Illegal recruitment of contract staff, Unutilized funds on the salary code, and Payment of salaries off IPPS.
Ugand**a National Oil Company (UNOC)**	Sustainable Development of Petroleum Resources Programme	Unqualified	• The company budgeted to collect UGX 6.989Bn during the financial year 2022/2023. UGX.37.674Bn was realized which was UGX. 30.686Bn above the estimates due to earnings fixed deposit investments in Money Markets. • Out of the GOU budget of UGX.730.21Bn, UGX.720.350Bn was received representing a performance of 99% • Out of the 35 initiatives assessed, 22 initiatives were fully implemented, 9 initiatives were partially implemented while 4 were not implemented. • Out of the 136 employees on the company's April 2023 salary payroll, a total of 135 (99%) were fully verified and one employee was not verified following resignation and has been removed from the company's payroll. 6 new employees who were not on the payroll were fully verified and have been added on the payroll. • Out of 340 approved positions, 130 positions (38%) were filled leaving 210 vacant positions. 26 filled positions had job titles inconsistent with the titles in the approved structure. • In the consolidated statement of changes in equity, the group's total equity, supported includes UGX.15,000,000, being equity held by the parent company (UNOC) in its subsidiaries, which contravenes the consolidation procedures stipulated by IFRS 10. • UNOC has planned a CAPEX of USD 9,323,650 and an estimated UNOC carry of USD 605,861 for the upstream projects (KFDA and Tilenga). Despite the existence of a crude oil trading roadmap for commercialisation, timely capitalisation remains crucial to avoid potential financial challenges to the Company.

Uganda National Roads Authority (UNRA)	Integrated transport infrastructure and services	Unqualified	• Due to the Cabinet decision to merge UNRA with MoWT, there is material uncertainty that may cast significant doubt that the Authority shall remain a Going Concern in the foreseeable future. • Out of budgeted NTR of UGX.2.0496Bn, UGX.2.736Bn was collected representing a 133% performance. • Out of the approved budget of UGX.3,001.054Bn UGX.2,654.176Bn was warranted resulting in a shortfall of UGX.346.878Bn representing a 88.4% performance. • Out of the total warrants of UGX.2,654.176Bn availed, UGX.2,650.115Bn was utilized resulting in un-utilized warrants of UGX4.061Bn representing 99% utilization. • Budgets for all seven (7) outputs assessed were not supported by individual activity costing and budgets. • I assessed the implementation of Seven (7) outputs that had been fully quantified with a total of one hundred and twenty-nine (129) activities worth UGX.1,802.581Bn and noted that; all the Seven (7) outputs with one hundred and twenty-nine (129) activities worth UGX.1,802.581Bn were partially implemented. • The Construction of Kitara - Gerenge Road and Civil Works for Upgrading of Kawuku - Bwerenga road (6.6km) & Namugonde – Bugiri (fuel tank reservoir 1.6km) were behind the scheduled completion dates as required by the approved work program. • Out of 1442 employees on Uganda National Roads Authority (June 2023 salary payroll), a total of 1283, (88.97%) were fully verified, 155 (10.74 %) partially verified, 0 (0%) not verified, while 4 (0.27%) did not show up. • Out of 193 employees on UNRA February 2023 short-term employees payroll, a total of 134 (69.4%) were fully verified, 52 (26.94 %) partially verified, while 7 (3.62%) did not show up. A total of 4 individuals whose names were not on the Authority's payroll for short-term/temporary staff were captured as new records. • A total of 69 employees on the Main payroll and one (1) employee on the Short term /temporary payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main and short-term contract payrolls and data captured by NIRA on the National Identity cards. • There was an under –remittance of UGX 51,700,000 of Local Service Tax. The Accounting Officer explained that payments to some districts have not been effected due to their accounts being closed and attempts to obtain the account details have been futile. • Out of 1480 approved positions, a total of 1443 positions were filled leaving a gap of 37 vacant positions. The Accounting Officer attributed the understaffing to the uncertainty caused by the Rationalization of Agencies and Public Expenditure (RAPEX) hence the high resignation rates and bans on recruitment.

			• The Authority was not enrolled on IPPS/HCM. The Accounting Officer explained that the Authority has an ERP system which has been used for the payroll processing. • UNRA does not submit wage estimates and recruitment plans to the MoPS. • A review of the staff recruitment plans in the approved Ministerial Policy Statements and staff data in the payrolls and staff lists revealed that for the period of June 2019 to June 2023, UNRA recruited 413 staff instead of 50 approved positions in the Ministerial Policy Statements giving rise to an excess of 363 staff. • The Authority has UGX. 621,496,151,367 as payables as at 30th June 2023. This is an indication of poor budgeting which has cost the Authority UGX.11,929,322,198 in-respect of interest charges for the Interim Payment Certificates (IPCs) which were not paid in the agreed timelines. • The Authority had letters of credit totalling to UGX.16,268,927,183 which have remained outstanding for more than 2 years. • The land acquisition status report as at 30th June 2023 for road projects implemented by UNRA revealed that UNRA cumulatively acquired a total of 28,960.87 acres from 172,608 PAPs for a total of UGX.3,263,758,811,455. However, only 139,933 PAPs were paid a total of UGX. 2,490,013,676,167 for 22,383.03 acres resulting into unpaid for 6,577.84 acres for 32,675 PAPS worth UGX.773,745,135,288. • At the time of audit in November 2023, out of the 8,101 land titles obtained from PAPs on different projects, only 1,428 had been returned to the owners after the required subdivisions and mutations while the remaining 6,673 titles (representing 82.4%) yet to be returned. • On physical inspection in December 2023 of the Right of Way (ROW) for the Kampala-Jinja Expressway Project, I noted that there were new structures being constructed in some cleared sections of the ROW. • There was delayed commencement of three road projects with a total contract value of UGX.3,998,211. • 18 road projects with a total contract value of UGX.100,684,044,689 had a delayed completion during the year and were still under implementation by the close of the year. • There was abandoned Road Works for the Contract for Maintenance of Lokapel – Nabilatuk (20.5km) and Nabilatuk – Angatun (25.5Km) with M/s Cuberoot Ltd - UGX.5,782,152,810. • I reviewed the Management of the contract for There was failure to; procure, install, and maintain the Lighting and independent traffic monitoring system, as

			well as provide Road safety facilities at the Road Toll Facilities along the Kampala-Entebbe Expressway.
Uganda Police Force (UPF)	Governance and security	Unqualified	• Out of the approved budget of UGX.980.416Bn from the various programmes, UGX.963.316Bn was warranted, resulting in a shortfall of UGX.17.1Bn representing 98% performance. • Out of the total warrants of UGX.963.316Bn availed to the entity during the year, UGX.963.316Bn was utilised, representing 100% utilization. • The Uganda Police Force (UPF) budgeted to collect NTR of UGX.40.66Bn. However, by the end of the year, UGX.43.609Bn had been collected, representing a 107% performance. • UPF has a contingent liability related to compensation for land occupancy of UGX.13.100Bn to Uganda Cooperative Transport Union. IGG contested the value and instituted a private valuer who came up with UGX.9.23Bn • The budgets for 16 outputs were not supported by individual activity costings and budgets. • I assessed 16 outputs with 187 activities worth UGX.245.76Bn and noted that all the 16 outputs were partially implemented. Out of the 187 activities, the entity fully implemented 50 activities; 114 activities were partially implemented, while 23 activities remained unimplemented. • Out of 49,205 employees on Uganda Police's February 2023 salary payroll, a total of 33,908 (69%) were fully verified, 13,356 (27%) were partially verified, 79 individuals were not verified, while 2,042 staff (4%) did not show up for verification. • A total of 17,636 employees on the main payroll had inconsistencies in their names (1,736), NINs (292), dates of birth (15,162) and gender (446) captured in the payrolls and data captured by NIRA on the National Identity cards. • UPF under remitted UGX.0.458Bn in PAYE statutory deductions • UPF delayed to delete staff who had reached 60 years according to NIRA (308) and IPPS (357) respectively. • I noted that 1,656 staff had retired, deserted, or deceased but were not immediately deleted from the payroll as at 30th June 2023 • A total of 362 suspects had been detained for more than 48 hours in the 60 stations inspected. • The domestic arrears increased from UGX.77.3Bn of the previous year to UGX.98.818Bn as at end of June 2023. • Out of the 60 Policing Districts selected for physical inspections, 09 Policing districts had no operational vehicle to transport officers to scenes of crime, patrolling and taking suspects to courts of law.

			• Out of a total of 6,446 planned uniports, only 4,850 uniports were installed and occupied by Police officers. The balance of 1,596 uniports were not yet installed. • I reviewed the status report on the police fleet for the financial year ended 2022/2023 and noted that 153 vehicles and 815 motorcycles were grounded. • All police stations and posts had a collection of impounded motor-vehicles and motorcycles. However, UPF has no policy on management of impounded vehicles and no detailed inventory of the impounded assets. • I assessed the conditions of police infrastructure and noted the following observations; Dilapidated structures, Asbestos roofs, Self-help housing, Private institutions on police land and encroachment on police land. • I observed that police dogs are deployed in 88 policing districts/stations out of 184 policing districts, representing a coverage of only 48%. • I observed that Uganda Police Force has a total of 305 dog handlers compared to the requirement of 418 dog handlers to cater for all the 209 dogs, each with two (2) handlers. • None of the dog handlers has had any refresher training course. • The Canine unit has 30 vehicles, eight (8) of which are grounded due to mechanical issues. • Out of a total of 88 Policing Districts and Police stations that have canine services across the country, 16 (18%) of these police stations have Kennels that are in a sorry state, exposing dogs to poor living conditions. • Assessment of management of the Closed-Circuit Television (CCTVs) revealed that to date, a sum of UGX.453Bn (120 million USD) has been spent on the exercise covering 11 cities, 20 Municipalities and 43 other towns in Uganda. • I observed that there is limited storage capacity for critical data that is only retained for 90 days to a maximum capacity of 16 petabytes for primary storage. • I observed that the system lacks Artificial Intelligence (AI) to automate the processes, Perform Repetitive Jobs, produce Unbiased Decisions and save time. • I noted that out of the 60 boats, 13 boats (22%) are grounded, and the status of one of the boats was not known at the time of audit, leaving only forty-six (46) boats to patrol, monitor and handle the security of all the water bodies in the country. • The Marine department planned and budgeted for fuel amounting to UGX.1.123Bn (204,154 L) to run its activities. However, only UGX.0.360Bn (65,455 L) was received, thus creating a shortfall of UGX.0.763Bn (138,847 L) for the financial year under review. • I observed an increased accumulation of case backlog under Police Standards Unit (PSU).

			• The Police Professional Standards Unit experiences delays in concluding cases brought up against its staff. • I observed that the staffing structure for PSU to cover the 29 policing regions is 186 officers, yet the unit currently has 102 staff, creating a staffing gap of 84 staff. • A total of 239,126 cases concluded by UPF represented 31% of the 777,821 total cases reported for investigation for the period assessed. • I observed an excessive water consumption pattern in the barracks where; on average, an officer consumes water costs of UGX.3.04Mn per year and an average of UGX.8,325 per day. • A trend analysis of water consumption at the different barracks for the last two years showed a significant increase in water consumption patterns, with consumption bills in some meters increasing by 850%.
Uganda Petroleum Fund	Sustainable Development of Petroleum Resources	Unqualified	• Despite the establishment of the Petroleum Revenue Investment framework/Policy, UGX 206,656,119,049 in funds were neither appropriated nor transferred to the Consolidated Fund (CF) and the Petroleum Revenue Investment Reserve (PRIR).
Uganda Petroleum Institute-Kigumba (UPIK)	Human Capital Development	Unqualified	• Out of the estimated NTR of UGX 1.051Bn for the year 2022/2023, only UGX 0.895Bn had been collected representing a 91.1% performance. • UPIK had an approved budget of UGX 7.5Bn from the various activities out of which UGX.2.801Bn was warranted resulting in a shortfall of UGX.4.699Bn representing a 37.3% performance. • Fifteen (15) outputs with thirty (30) activities worth UGX 1.335Bn sampled were partially implemented. • Out of 93 approved positions, a total of 68 positions were filled leaving a gap of 25 vacant positions. • The procurement process for the respective goods and services worth UGX.4,861,264,129 were not initiated due to non-release of appropriated budget.
Uganda Post Limited (UPL)	Digital Transformation	Unqualified	• The Company had an approved budget of UGX.17.543Bn, and UGX.13.512Bn was realised as revenue. • Out of the total Revenue collected by the Company of UGX.13.512Bn during the year, UGX.13.115Bn was utilized resulting in un-utilized funds of UGX.0.397Bn representing 97.1% utilization. • I observed that the company's key outputs for the FY 2022/2023 were not supported by individual activity costing and budgets. Non-provision of the detailed costing for activities implies that the costing at output level cannot be justified, and as such, there is a risk that the Company either over or under-budgeted for the outputs.

			• Out of 170 employees on Uganda Post Limited's April 2023 salary payroll, a total of 111, (65%) were fully verified and 59 (35%) were partially verified. • The contestation of ownership led to refusal by UTCL to pay rent for the occupied office space and telephone masts, for which by July 2021, they claimed that UTCL owed Posta Uganda Ltd over UGX.4.5Bn in accumulated rent, a figure reported in the UPL Financial Statements for the last nine financial years. • The company had receivables of UGX.15.8Bn by close of the financial year 2022/2023, having risen by UGX.5.5Bn, from UGX.10.32Bn in FY 2021/2022. • A review of financial statements revealed that UPL's payables increased by UGX.3.7Bn from UGX.16.7Bn in financial year ended 2021/2022, to UGX.20.4Bn in financial year ended 2022/2023. • UPL reported payables indicated that the Company had a payroll liability amounting to UGX.3.23Bn as at 30th June 2023 which had not been paid out to its staff. • It was observed that the Court of Appeal delivered a Judgement against UPL wherein UPL was required to settle a total of UGX.45Bn to the plaintiffs in the case involving UPL & UTCL versus Bernard Mwetise & Ors CA No. 10/2014. The claimants sued UPL for recovery of pension, general damages and other court reliefs.
Uganda Property Holdings Limited (UPHL)	Public Sector Transformation	Unqualified	• The entity budgeted to receive UGX.10.59Bn and collected UGX.10.08Bn resulting in a shortfall of UGX.0.51Bn which is 4.8% of the budget. • Out of the total funds of UGX.12.4Bn available to the entity during the year, UGX.12.1Bn was utilized resulting in un-utilized revenue of UGX 0.3Bn representing 98% utilization. • Out of the activities sampled of UGX.6.4Bn, activities worth UGX.5.7Bn delayed to be implemented. • Out of 19 employees on UPHL's February 2023 salary payroll, a total of 19 (100%) were fully verified. • The Company lacked a costed staff establishment identifying the total number of all staff positions within the categories of personnel provided in the structure.
Uganda Printing and Publishing Corporation (UPPC)	Governance and Security	Unqualified	• The entity budgeted to collect UGX.11,557,451,096 during the year however, by the end of the year only UGX.7,025,008,635 had been collected representing a 61% performance. • I assessed the implementation of 16 activities that had been fully quantified worth UGX.9,338,000,000 and noted that all the capital expenditure activities that were planned for during the year were not implemented. • The Corporation had seventy-four (74) employees on the main payroll who were all (100%) fully validated. • 13 employees had inconsistencies in the names captured on the Corporation's payroll and those captured by NIRA.

			• 11 employees had discrepancies in their dates of birth captured on the Corporation payroll and what is captured by NIRA. • Three (3) individuals had variances between amounts on the approved payroll and payments to these individual employees leading to an over payment of UGX.757,667. • Seven (7) staff were paid using wrong scale/notches leading to an over payment of UGX.2,029,536. • A comparison of the budget figures and the actual payments in respect of the payroll, revealed that the entity overspent the budget by UGX.741,944,380 in the last three years. • The Staff establishment availed was dated 2020 and was yet to be approved by the Board. • I reviewed the current draft structure currently being used by management and noted that five (5) positions were overstaffed, while four (4) positions had staffing gaps. • I noted that four (4) members of staff acted for periods ranging from 18 to 20 months which was in contravention of the Human Resource Manual. • Two (2) individuals on the payroll availed were above the statutory retirement age of 60 years. • The entity is not enrolled on the IPPS/HCM. • I drew management's attention to the issue of the five (5) pieces of land measuring approximately 1.256 hectares held and valued at UGX.4,151,047,796 which were not fully utilized by the entity at the time of audit.
Uganda Prisons Service (UPS)	Governance and security	Unqualified	• UPS had NTR estimates of UGX.26.86Bn and collected UGX.25.99Bn representing a 97% performance. • Out of the approved budget of UGX.340.1Bn from the various programmes, UGX.335.4Bn was warranted resulting in a shortfall of UGX.4.68Bn representing a 98% performance. • Out of the total warrants of UGX.335.38Bn availed to the entity during the year, UGX.333.20Bn was utilized resulting in un-utilized warrants of UGX.2.17Bn representing 99% utilization. • I assessed the implementation of six (6) outputs that were fully quantified with thirty-seven (37) activities worth UGX.65.04Bn and noted that six (6) outputs with 37 activities worth UGX.65.04Bn were partially implemented. • I reviewed the Annual Work plan and expenditure details and noted that UPS carried out activities worth UGX.7.708Bn outside the approved work plan. These activities included land preparation for seed beds in Aswa Adjumani and Awei.

			• Funds amounting to UGX.17.213Bn were repurposed from the activities on which they were budgeted and spent on *the Food and Security Intervention,* a government programme intended to address food security. • I reviewed the status of accommodation in prisons I noted that; prisoners housing has only increased by 1% in the last four years resulting in persistent congestion, a number of prisons' staff are still housed in dilapidated houses some of which have leaking roofs and asbestos sheets, and 1 prison did not have a fence at all while construction of prisons fencing was ongoing in 4 prisons. • I assessed the prisoners' welfare and observed that there are instances where prisoners are only allocated one prisons uniform, I noted that UPS has insufficient rehabilitation and reintegration activities for prisoners, UPS lacks the tools, materials and instructors to cover all prisons, day care centres have only been established in five (5) regional prisons out of the 19 sampled. • I inspected and noted that three (3) prison stations of Isimba Prison, Yumbe prison and Koboko prison lacked proper places for care and reception of sick prisoners, while three (3) prison stations of Lobule prison, Bidibidi prison and Mahia prison had the medicines kept in medicine cabinets but lacked infrastructures for the health facilities. • I inspected and analysed 55 health facilities at the different prison facilities across the country and noted that although these facilities should have had 1,519 health staff, they only had 217 (14%) staff, leading to a staff shortfall of 1,302(76%) health staff. • I inspected 55 Prison facilities across the country and noted that 46 prisons (84%) did not have isolation centers for isolation of sick prisoners with transmittable diseases from other prisoners. • Out of 12,728 employees, a total of 12,487 (98%) who appeared for the validation exercise presented all the pre-requisite documents and information and were fully verified. • I noted that 11 employees who appeared for validation were partially validated due to lack of some requisite information such as; National ID, Appointment letters, Confirmation Letters and Minutes of Appointment. • I noted that nine (9) employees on the payroll appeared for validation but did not satisfy the requirements of the validation exercise, hence were not verified. • A total of 221 employees on the payroll did not appear for validation with 11 away for official duties or other valid reasons, by the time of verification 202 were no longer in service as they were confirmed deceased, absconded or had retired, and eight (8) were not accounted for.

			• Of the 1,902 individuals newly recruited officers, 604 appeared for the validation exercise, while 1,298 staff did not appear. All the newly recruited officers were confirmed as genuine staff by the Accounting Officer • 3,468 employees on the payroll had inconsistencies in their names, NINs, dates of birth and gender captured in the main payroll and data captured by NIRA on the National Identity cards. • I reviewed the budgets and actual expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX.393.970Bn budgeted and approved wage funds for the four financial years, only UGX.378.790Bn was spent giving rise to unspent balances amounting to UGX.15.180Bn • Over–remittance of UGX0.102Bn and under remittance of UGX.0.064Bn of statutory deductions were made by the entity during the reporting period. • Over–remittance of UGX.0.137Bn were made by the entity in May 2020 for non-statutory deductions in relation to UCLA • UPS did not have an updated staff list with retirees, deserters still on the staff list, while some staff on the staff list did not have NINs, supplier numbers, dates of first appointments, dates of current appointments, salary scales and salaries. • I noted that UGX.361.232Mn was paid to 80 staff members who had either retired, died or been dismissed. • The total arrears increased from UGX.62.34bn in 2020/2021 to UGX.182.36Bn in the current year. • Uganda Prisons Service owns 175 pieces of land measuring over 14,094 hectares, of which 65 pieces (37%) measuring approximately 10,008 hectares have titles. • Out of the 175 pieces of land owned by UPS, six (6) pieces of land measuring over 377.2 hectares had encumbrances in the form of encroachment and court cases.
Uganda Railways Corporation (URC)	Integrated Transport and Infrastructure Services	Unqualified	• The Corporation incurred significant losses of 35.176Bn, an increase of 9.2% from the previous year loss of UGX.32.222Bn. Analysis of financial information revealed that URC still needs to make significant improvements in Operating efficiency, profitability and its ability to sustain provision of services. • Out of the budgeted Internally Generated Revenue (IGR) UGX.51.23Bn, only UGX.19.325Bn was realised representing a 37.7% performance. The realised revenue also includes revenue earned from operations but not yet collected. • The Corporation had an approved GOU budget of UGX.240.87Bn inclusive of donor funds, however, only UGX.92.08Bn was received during the year resulting in a shortfall of UGX.148.79Bn representing a 38.2% performance. • There was theft of abandoned and dismantled Material/Equipment on Rehabilitation of Tororo-Gulu Railway line worth Euros 3,083,846.54 and USD 3,767,742.5.

			• Out of 342 employees on Uganda Railways Corporation March 2023 salary payroll, a total of 311(90.9%) were fully verified, 23(6.7 %) partially verified, 7(2%) not verified, while 1(0.29 %) did not show up. • A comparison of the base pay as per URC payroll registers with the base pay as per salary structure revealed that Forty three (43) staff were paid using wrong scales/notches leading to an overpayment of UGX.1,100,437,968 and underpayment of UGX.127,483,584. • I established that URC has not paid staff gratuity for the 4 financial years totalling UGX.4,063,316,405. • All URC staff files reviewed did not include any information relating to minutes of appointments from the Board or management. There is a possibility that staff are appointed or contracts renewed without following proper procedures. • I compared the deductions from the payroll registers with the PAYE remittances/payments to URA and noted under-remittance amounting to UGX.1,049,250,214. • URC's approved establishment provides for 729 staff. I noted that a total of 404 positions are unfilled. I further noted that 18 employees were recruited for positions not approved in the URC's structure. • The recomputed wage budget for FY 2023/24 is UGX.16,543,470,536 to cater for 348 employees. A comparison of the entity's approved wage estimates of UGX.18,110,639,000 with the recomputed payroll costs of UGX.16,543,470,536 revealed that the Accounting Officer over-estimated the wage cost by UGX.1,567,168,464 for financial year 2023/2024. • UGX.243,016,000,000 is due from Ministry of Finance, Planning and Economic Development (MoFPED) for Compensation of Nsambya Land which was transferred to Uganda Land Commission in 2010. • Although the Marine Vessel (MV) Pamba was operated by Mango Tree (U) Ltd during the year under review, there is a potential loss revenue from a Concession Agreement for Pamba Ferry since there was no operating lease arrangement between Mango Tree (U) Ltd and URC. • URC did not invoice MoWT an amount of UGX.1,423,120,400 for the land and offices that the Ministry occupies at the URC Station building. • MoWT started construction of the building on URC land without evidence of a memorandum of understanding between URC and the Ministry for the use of the land. • In my previous reports, I reported about heavy encroachments along the Busoga loop line to Iganga station Kigulu, sitting on 34.59 acres after the whole railway line was vandalized. I observed that the land has continued to be encroached on.

			The land currently has older structures with occupants and over 18 modern permanent residential and commercial buildings constructed along the loop and no action is being taken by management.
Uganda Refinery Holding Company	Energy Development	Unqualified	• The 240MW power substation at Kabalega Industrial Park originally planned to be finalized by mid-2024 was rescheduled to commence the design and construction phase by early 2024, indicating the risk of delayed completion. • The Refinery project faced challenges in implementing the Project Framework Agreement (PFA) with the Albertine consortium, however, the project financing model has been restructured to be public sector led.

Uganda Registration Services Bureau (URSB)	Community mobilization and mindset change Governance and security Innovation, technology development and transfer Private sector development	Unqualified	• Out of the approved Non-Tax Revenue (NTR) estimates of UGX.69.66Bn, the Bureau collected UGX.69.115Bn, representing a 99.2% performance. • Out of a total budget of UGX.34.217Bn, UGX.33.882Bn was warranted, resulting in a shortfall of UGX.0.335Bn, representing a 98% performance. • Out of the total warrants of UGX.33.882Bn availed to the entity during the year, UGX.32.989Bn was utilised, resulting in un-utilised warrants of UGX.0.893Bn representing 97% utilisation. • The budgets for all five (05) outputs assessed were not supported by individual activity costing and budgets. • Out of seven (07) outputs worth UGX.19.596Bn, three (03) outputs worth UGX.0.998Bn were fully implemented, while four (04) outputs worth UGX.18.598Bn were partially implemented. • During the last four financial years, the Uganda Registration Services Bureau had a wage budget of UGX.48.298Bn, out of which UGX.47.09Bn was utilised, giving rise to unspent balances amounting to UGX.1.209Bn. • Out of 236 employees on the URSB April 2023 salary payroll, a total of 235 employees (99.6%) were fully verified, while one (01) employee (0.4%) did not show up. • A total of 33 employees on the main payroll had inconsistencies in their names and dates of birth, captured in the payroll and data captured by the National Identification and Registration Authority on the National Identity cards. • Out of 252 approved positions, a total of 107 positions were filled, leaving a gap of 145 vacant positions. • The Bureau had an outdated staff establishment in comparison to the entity's existing needs. The entity had 121 staff recruited in positions not on the staff establishment approved by the Ministry of Public Service. • The Bureau was not enrolled on the Integrated Personnel and Payroll System/ Human Capital Management System. • Out of 135 districts in Uganda as at 30th June 2023, only 53 Chief Administrative Officers/districts were registered on the National Marriage Registration System. • Out of 645 applications for licensing of places for conducting marriages, 570 applications (88%) were approved within 14 days, while 75 applications (12%) took more than two weeks to be approved. • As at 30th June 2023, only 204 users were registered on the Security Interest in Movable Property System. • The Bureau had domestic arrears worth UGX.6.242Bn as at 30th June 2023. However, while no budgetary provision was made to settle domestic arrears, arrears worth UGX.0.725Bn were settled during the year.

Uganda Retirement Benefits Regulatory Authority (URBRA)	Private sector development	Unqualified	• Although the entity received all the approved budget for the FY of UGX.13.625Bn, absorption was 97% worth UGX.13.181Bn, leaving UGX.0.444Bn unabsorbed. • Eleven (11) outputs with one hundred thirty-six (136) activities worth UGX.11.687Bn were partially implemented. Out of the one hundred thirty-six (136) activities, the entity fully implemented one hundred (100) activities; thirteen (13) activities were partially implemented, while twenty-three (23) activities remained unimplemented. • I reviewed the Budgets and Actual Expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX.21.51Bn budgeted and approved wage funds for the four financial years, only UGX.20.89Bn was utilised, giving rise to unspent balances amounting to UGX.0.620Bn. Unspent balances imply the entity over estimated its wage budget over the period under review. • URBRA is not enrolled on the IPPS/HCM system operated by Ministry of Public Service. Failure to enroll the entity on IPPS/HCM undermines the full utilisation of the HCM investment, accountability, transparency and improved service delivery that is intended to be achieved through automation of human resource processes.
Uganda Registration Services Bureau (URSB) - Liquidation	Governance and Security	Unqualified	• Out of the total operating revenue of UGX.0.632Bn availed to the entity during the year, UGX.0.592Bn was utilised, resulting in un-utilised warrants of UGX.0.040Bn representing 94%. • Out of five (5) outputs worth UGX.0.592Bn, four (4) outputs worth UGX.0.326Bn were fully implemented while one (1) output worth UGX.0.254Bn was partially implemented. • Between 2001 and 2019, the Official Receiver appointed liquidators for thirteen (13) companies. However, three companies were still undergoing liquidation as at 30th June 2023. • A sum of UGX.2,754,529,489 reported in Note 22(a) (Schedule D) to the financial statements relates to receivables carried forward from the previous financial years and still remained outstanding at the end of the financial year 2022/2023.
Uganda Reproductive Maternal and Child Health Services Improvement Project (URMCHSIP (MoH))	Human Capital Development	Unqualified	• A project concept paper, a project profile and detailed feasibility study were prepared for the project and presented with the RMNCAH Sharpened Plan 2015/16 – 2019/20. • This project should have exited the Public Investment Plan by 30th June 2023. However, its implementation was extended to 30th September 2023 and consequently MoFPED made a budget provision for Quarter 1 of the FY 2023/24. • Whereas the project total budget from the three development partners of USD 180,000,000 matched with an approved project work plan, the actual cumulative

			receipt was USD. 177,792,250 leaving a balance of USD 2,207,750 that was caused by cumulative forex exchange loss arising from appreciation of the Uganda shilling. • I sampled fourteen (14) activities worth USD 21,842,708 and noted that targets for nine (9) activities worth USD 5,148,737 had been fully achieved while targets for the remaining five (5) activities worth USD 16,693,971 were yet to be achieved. • The project had an approved budget of USD. 46,258,675.48 for the financial year 2022/2023 out of which USD. 46,258,675.48 was available for spending resulting in no shortfall. • Out of the total available funds of USD 46.26m, USD 25.1 was spent resulting in an unspent balance of USD 21.1 (representing an absorption level of 54%). Of this unspent balance, USD 12.537m was an advance receipt from the World Bank for Q1 FY 2023/24. I reviewed the extent of service delivery for activities implemented for components one, two, three, and four and noted activities like servicing and maintenance of medical equipment was not undertaken and no documentaries on the achievements, lessons and success of URMCHSIP had been delivered by the due date. • I noted that the Ministry of Health has put in place a sustainability measure regarding the Results Based Financing (RBF) Program. However, 806 specialties that were trained under the project had not yet been placed in the respective hospitals to tap on the knowledge and skills acquired. • There have been delays in the provision of manuals for the vital statistics generation module and integration of systems with OPM and DCIC.
Uganda Revenue Authority (URA)	Development plan implementation	Unqualified	• A total of UGX.311.57Bn remained uncollected due to tax disputes and court cases at the close of the financial year. • A review of the ASCUDA extracts of other minerals exported except Gold during the period under review revealed 6,469 instances worth UGX.72.5Bn whereby 22 mineral categories were exported without any assessment and payment of the resultant taxes on exportation. • Minerals worth UGX.78Bn were exported unprocessed, contrary to the Presidential directive banning such a practice. • An analysis of Third-Party Agency notices (TPANs) issued during the period under review revealed, that out of 8,683 TPANs to taxpayers with a tax liability of UGX.4.686Tn, only UGX.80.98Bn was recovered against all the TPANs issued, giving a yield of only 1.73%. • Tax Arrears rose from UGX.4.816Tn in 2021/22 to UGX.5.099Tn in the financial year 2022/23 representing an increment of UGX.283Bn (5.8%). This increase was majorly contributed by Government tax arrears which increased by UGX.133.7Bn.

UGANDA REVENUE AUTHORITY (URA) Corporate	Development plan implementation	Unqualified	• The entity budgeted to collect UGX.574.4Mn NTR during the year but collected UGX.23.5Bn by the year end indicating under budgeting of NTR. • Out of the total warrants of UGX.554.51Bn availed to the entity during the year, UGX.523.85Bn was utilized, leaving un-utilized warrants of UGX.30.650Bn representing 94.3%. • Out of 3,209 employees, a total of 3,176 (99.7%) who appeared for the validation exercise presented all the pre-requisite documents/information and were fully verified. Out of 36 staff employee who did not show up, 12 were accounted being out office with authourisation and 14 employees who were paid UGX 0.081 Bn had left the Authority by the time of validation. Six (6) not on the payroll validation, acknowledged by management and added on the payroll. • Procurements worth UGX.62.7 Bn were not implemented by 30th June 2023. • The Authority awarded multi-year contracts amounting to UGX.46.4 Bn without appropriate approval by Parliament.
Uganda Rural Electricity Access Project (UREAP)	Energy Development	Unqualified	• Cumulative disbursements of project funds as at 30th June 2023 by the donor was USD.75.89Mn (76%) out of the expected USD 100.00Mn, while GOU counterpart disbursements are at 92.5% (UGX.10.37Mn) out of 11.21Mn • Out of the eleven (11) project activities assessed, all the assessed activities had been partially implemented. • The project had an approved budget of UGX.131.57Bn for the financial year 2022/2023, out of which UGX.71.98Bn was received representing a performance of 55%. Out of the available funds, 99% were spent during the year.
Uganda Road Fund (URF)	Integrated transport infrastructure and services	Unqualified	• URF budgeted to collect Non-tax revenue from non-exchange transactions of UGX.10,000,000 during the year. However, UGX.9,091,500 was collected during the year representing a 90.9% performance. • Under GOU funding, URF had an approved budget of UGX.487,952,712,217 for the various programmes, out of which UGX.487,952,711,917 was warranted resulting into 100% performance. • Out of the total warrants of UGX.487.95Bn availed to the entity during the year, UGX.487.74Bn was utilized resulting in un-utilized warrants of UGX.0.21Bn representing 99.96% utilization. • All the 33 (100%) employees on the URF main payroll who appeared for the validation exercise presented all the pre-requisite documents/information as National ID, Appointment letters, Confirmation Letters and Minutes of Appointment and were fully verified. • Out of the UGX.17,169,391,290 budgeted and approved wage funds for the four financial years, only UGX.16,488,036,480 was spent giving rise to unspent balances amounting to UGX.681,354,810.

			• Nine (9) of the positions filled were paid an amount of UGX.8,306,923 per month above the prescribed salary bands in the Human Resource Manual 2019. The Fund appointed four (4) staff on temporary terms for a period of two and a half years contrary to the requirement of HR Manual. • URF does not process payroll through IPPS/HCMS. This was attributed to the lack of proper policy guidance on the systems development and use by the autonomous and semi-autonomous Government bodies who claim to be created by different statutes with a mandate to establish their systems. • Although management budgets and deducts 5% of employee salaries and makes 10% contribution to NSSF, over–remittance of UGX.3,197,615 of statutory deductions (NSSF) were made by the entity during the period. • URF wrongly charged expenditure salary codes to the tune of UGX.113,450,334 to cover other expenses like Board retainer fees without seeking and obtaining the necessary approvals. • Operational expenses for 75 Designated Agencies (DA) were above the 4.5% threshold. There was an irregular contract execution for Consultancy to conduct a change management strategy for Rationalisation of Government Agencies and Public Expenditure.
Uganda Secondary Education Expansion Project (USEEP)	Human Capital Development	Unqualified	• The project had an approved budget of UGX 113.467Bn for the financial year 2022/2023 out of which UGX.41.044Bn was available for spending resulting in a shortfall of UGX.72.423Bn representing 36% performance. • I sampled sixty (60) activities of UGX 41,044,163,216 and noted that targets for all the sixty (60) activities of UGX 39,691,193,743 were yet to be achieved. • Out of the total available funds of UGX 41.044Bn only UGX 1.353Bn was spent resulting in unspent balance of UGX.39.691Bn representing an absorption level of 3.3%.
Uganda Skills Development Project (USDP) – MOES	Human Capital Development	Unqualified	• I sampled sixteen (16) activities worth USD.14,636,113 and noted that six (6) activities worth USD.3,482,462 had been fully achieved while the remaining four (10) activities worth USD.11,153,651 were partially achieved. • The project had unspent balance brought forward of USD 22,060,270.15 and releases for the period ended 30th April 2023 of USD 672,533.29 resulting into total approved budget of USD 22,732,803 and all the funds were available for spending representing 100% performance. • Out of the total available funds of USD 22,732,803 only USD 21,421,213 was spent resulting in unspent balance of USD 1,311,590 representing an absorption level of 94%.

Uganda-Spain Debt Swap (USDP) Project	Human Capital Development	Unqualified	• The Uganda Spain Debt-Swap Project (USDP) did not have a project concept note contrary to the guidelines of the Project Development Committee. • I reviewed the Budget execution circular issued by the PSST for the financial year 2022/23 and established that this project should have exited the Public Investment Plan by 30th June 2021. However, the project implementation period was extended to end of FY 2024/25. • The total cumulative disbursements to date include USD.11,404,967 from Donors and UGX. 8,188,870,165 as GoU counterpart funding with remaining balances of USD 5,969,411.81 and 811,129,835 respectively. • I noted that all the thirty-four (34) planned outputs for Kawolo General Hospital had been achieved by the 10th year of the project. However, out of the twenty-two (22) planned outputs on refurbishment and equipping of Busolwe General Hospital, only three (3) had been fully implemented, sixteen (16) were partially implemented (on-going) while three (3) had not been implemented by the time of audit. • The project had an approved budget of UGX.17.48Bn for the financial year 2022/23 out of which UGX.8.696Bn was available for expenditure thereby resulting in a shortfall of UGX.8.784Bn (representing 49.7% performance). • Out of the total available funds of USD 19,803,666.63 only USD 12,595,945.78 had been spent resulting into unspent balance of USD 7,207,720.85 (representing an absorption level of 68.6%). • I reviewed the implementation of the activities of the project and noted delays in the refurbishment, renovation, and construction of the contracted works.
Uganda Support to Municipal Infrastructure Development Project Additional Funding (USMID-AF)	Private Sector Development	Unqualified	• Out of UGX.420.066Bn received by the project, only UGX.354.825Bn (84%) was spent resulting in unspent balance of UGX.65.241Bn (16%) which were swept back. • Eighty-six (86) activities worth UGX.72,792,143,424 were fully achieved. • Seventy-nine (79) activities worth UGX.809,558,027,251 were yet to be achieved. • Sixteen (16) activities worth UGX.4,944,414,955 couldn't be assessed due to lack of clear targets. • Government has not paid any commitment fees as required by the project guidelines. • Study for the development of an integrated geospatial information framework and strategic business plan by M/S Center for Land Air and Space Solutions Ltd though fully paid for at UGX 797,600,000, and expected by 30/6/2023, had not been completed by December 2023 • Contract for the development of a comprehensive valuation professionalization framework fully paid for at UGX 275,884,000, and expected by 30/6/2023, by December 2023 was not completed.

Uganda Skills Development Project PSFU Component (IDA CREDIT 56120-UG - PROJECT ID P145309)	Human Capital Development	Unqualified	• I noted that the donor had released 99.8% of all the project funds they had ear marked for the activities under Private Sector Foundation Uganda–SDF Project, however some activities were not fully implemented. • I reviewed all forty-two (42) activities of UGX 83,077,222,310 and noted that the targets for thirty-eight activities (38) of UGX.82,951,730,258 were achieved, while four (4) activities were partially implemented.
Uganda Tourism Board	Tourism Development	Unqualified	• The entity budgeted to collect NTR of UGX.0.28Bn during the year under review of which UGX.0.20Bn was collected, representing an overall performance of 72% of the planned collection target. • The entity had an approved budget of UGX.26.451 Bn from its one program out of which UGX.18.885 Bn was warranted resulting in a shortfall of UGX.7.566 Bn representing an overall performance of 71.40%. • Out of the total release of UGX.18.885Bn availed to the entity during the year, UGX.17.960Bn was utilized resulting in unutilized warrants of UGX.0.925 Bn representing 95.10% utilization. • The strategic plan 2020/21-2024/25 forecasts indicated a 45.85% variance in the funding requirements for the year under review. • Out of 80 approved positions, a total of 36 positions were filled leaving a gap of 44 vacant positions, which negatively affects service delivery. • The Uganda Tourism Board was implementing an organizational structure, salary structure, and Human Resource policy that had not been approved by the Ministry of Public Service contrary to the Public Service requirements.
Uganda Virus Research Institute (UVRI)	Human capital development	Unqualified	• The Institute failed to collect any NTR out of UGX.0.56Bn that it had budgeted to collect. • Out of the total warrants of UGX.10.578Bn availed to the entity during the year, only UGX.10.348Bn was utilized resulting into un-utilized warrants of UGX.0.23Bn representing 97.8% utilization. • A total of 7 staff on the Institute's payroll for the month of February 2023 did not appear for the headcount. The Institute had paid them a total of UGX.55,312,997 without working. • A total of 19 employees on the payroll had inconsistencies in their names and dates of birth captured in the payroll and data captured by NIRA on the National IDs. • A total of 17 individuals were underpaid by UGX.35,986,738 during the period of review. • A total of UGX.566,540,898 released for wages, was not utilized during financial years 2019/20 to 2022/23.

			• Out of 231 approved positions, a total of 71 positions were filled leaving a gap of 160 vacant positions as per the establishment. • Two contracts to NEC for construction of extension of a Clinic and renovation of a residential house worth 1,199,423,143 were awarded without Solicitor General's approval
Uganda Warehouse Receipt Systems Authority (UWRSA)	Private Sector Development	Unqualified	• The entity did not budget to collect NTR during the year. However, by the end of the year, the entity had realised UGX.3.1Mn. However, given its mandate which involves offering services that attract NTR such as; (a) to license warehouses; (b) to license warehouse keepers; (c) to license warehouse inspectors; and (d) to issue negotiable warehouse receipts books, the entity is yet to tap into this potential. • The Authority had an approved Budget of UGX.15.07Bn out of which UGX.7Bn was warranted, resulting into a shortfall of UGX.8.07Bn (46.5%) of the approved budget. However, during the financial year the Authority spent UGX.13.13Bn which was UGX.6.14Bn in excesses of the total warrants representing 187% utilization. The excess funds were obtained from the unspent balance from the prior financial year 2021-2022, that was subsequently included by management as part of the funds available for spending in the financial year under review, without appropriate authority. • Despite the Authority being in existence for over five years, it had not implemented key deliverables relating to its mandate which include licensing of warehouses, warehouse keepers and issuing of negotiable warehouse receipts books.
Uganda Wildlife Authority (UWA)	Tourism Development	Qualified	• I did not obtain all the information I required to audit the Gorilla and Chimpanzee booking and reservation process to enable me fully satisfy myself about the accuracy of information reported by Management on revenue collected over the year. • The Authority spent beyond the approved budget limit, because extra funds from collections were spent on payment of fines and penalty levied by URA. UGX.4.77Bn spent arising from the tax audit of UWA revenue was not in any budget item and was incurred without authority of the Secretary to the Treasury who allocated the ceiling of UGX.106.75Bn. • Twenty-one (21) outputs with seventy-nine (79) activities worth UGX.9.77Bn were partially implemented. Out of the seventy-nine (79) activities, the entity fully implemented forty-six (46) activities; twenty-nine (29) activities were partially implemented, while four (04) activities remained unimplemented.

			• I reviewed the payroll budgets and actual expenditure for the period 2019/20 to 2022/23 and noted that out of the UGX.137.97Bn budgeted and approved wage funds for the four financial years, only UGX.134.332Bn was spent giving rise to unspent balances amounting to UGX.3.637Bn. • The Authority has not undertaken any assessment and/or revaluation of its assets for more than five (5) years despite having various assets still in use, but whose values have been depreciated to zero value in the asset register. • Total payables of UGX.49.526Bn were reported in the statement of financial position, out of which UGX.9.16Bn has been outstanding for more than one year. • Trade receivables have decreased to UGX.5.298Bn from previous year figure of UGX.5.546Bn. However, the outstanding amount is still high and has been outstanding for more than a year. • UWA had only disbursed UGX.4.785Bn in respect of revenue sharing for the surrounding communities in National parks, leaving a balance of UGX.7.44Bn undisbursed. • UGX.462Mn paid out as administrative advances, remained unaccounted for. There were no supporting documents while some of the payment vouchers were missing. • During the financial year, the Authority did not implement ten (10) planned procurements valued at UGX.7.371Bn. This delays service delivery.
Uganda Wildlife Education Center (UWEC)	Tourism Development	Unqualified	• According to the approved NTR estimates for the FYR 2022/2023, the entity budgeted to collect UGX.3.2Bn during the year. However, by the end of the year UGX.3.9Bn had been collected representing a 122% performance. • I assessed the implementation of thirty-two (32) outputs that had been fully quantified with a total of forty-Five (45) activities worth UGX.11.932Bn and noted that thirteen (13) outputs with twenty (20) activities worth UGX.8.497Bn were partially implemented and one (1) output with One (1) activity worth a budget of UGX.228Bn was not implemented at all. • Out of 114 approved positions, a total of 91 positions were filled leaving a gap of 23 vacant positions. Understaffing leads to employees getting overwhelmed with the workload, leading to stress and poor performance levels hence reduced productivity.

			• The contract for the Development and Operationalization of the online Booking, ticketing system and commissioning/installation of the Pedestrian/Car Access control at UWEC was awarded in the financial year 2021-2022 at contract price of UGX.515Mn for period of six months, However, I noted the that the contract period had elapsed but the system had not been commissioned with the software development still incomplete and the civil works were incomplete with the car access not installed at the gate. The pedestrian access was not in use since the system that is supposed to operate it was incomplete. • During review of the procurement plan, it was noted that four (4) procurements with an estimated cost of UGX.2.444Bn remained unimplemented by 30th June 2023.
Uganda Wildlife Research and Training Institute (UWRTI)	Human Capital Development	Unqualified	• The entity budgeted to collect UGX.0.495Bn, as Student fees and consultancy services during the year under review. However, by the end of the year, UGX.0.628Bn had been collected representing a 127% performance. • The entity had a budget of UGX.3.98Bn for which UGX.4.16Bn was realized representing a 105% performance. • Out of 27 employees on the Uganda Wildlife Research and Training Institute (UWRTI) February 2023 salary payroll, a total of 27 (100%) were fully verified. • 21 staff who were appointed by the Ministry of Public Service when the Institute was a department under the Ministry of Tourism and Antiquities, are still on the Ministry's payroll. • One individual was on both the UWRTI payroll and Mountains of the Moon University payroll. The staff was appointed to UWRTI as a Principal Wildlife Research Officer effective 1st February 2021 for three years with a gross salary of UGX.3Mn per month and later appointed at Mountains of the Moon University as an Associate Professor. • UWRTI had funds totaling to UGX.0.24Bn as of 30th June 2023 on Stanbic Bank - Fees Account. The funds were not remitted to the Consolidated Fund.
UNDP Funded Project - Building Resilient Communities, Wetland Ecosystems and Associated	Climate Change, Natural Resources, Environment and Water Management Development Programme	Unqualified	• No significant matters to report on.

Catchments in Uganda Implemented by the Ministry of Water & Environment			
UNDP Funded Project - Fostering Sustainability and Resilience for Food Security in Karamoja Sub Region Implemented by Ministry of Agriculture, Animal Industry and Fisheries	Agro-Industrialization Programme	Unqualified	• I noted delays exceeding 7 months in the submission of work plans by the implementing partner to the funder for consideration and approval leading to late disbursement of funds. • I further noted that there was UGX.4,763,521,042 not returned to UNDP in line with the funding agreements.
UNDP Funded Project of Enhancing Conjunctive Management of Surface and Groundwater Resources in Selected Transboundary Aquifers Implemented by the Nile Basin Initiative		Unqualified	• No significant matter to report on.

UNFPA FUNDED PROGRAMME (UGA09WYP/SRH/GBV) Implemented by Ministry of Education and Sports	Human Capital Development Programme	Unqualified	• There were no reportable issues.
UNFPA Funded Programme (UGA09GBV/PGUG12) Implemented by Ministry of Gender Labour and Social Development	Community Mobilization and Mindset Change Governance and Security Human Capital Development	Unqualified	• There were no reportable issues.
UNFPA Funded Programme (UGA09WYP/SRH/GBV) Implemented BY The Ministry of Health	Human Capital Development	Unqualified	• There were no reportable issues.
UNFPA Funded Programme (UGA09WYP/SRH/GBV) Implemented by Ministry of Justice and Constitutional Affairs	Governance and Security	Unqualified	• There were no reportable issues.
UNFPA Funded Programme (UGA09DPD/PGUG01) Implemented	Community Mobilization and Mindset Change Human Capital Development	Unqualified	There were no reportable issues.

by National Population Council			
UNFPA Funded Programme (UGA09WYP/SRH/GBV) Implemented by Uganda Bureau of Statistics	Development Plan Implementation	Unqualified	There were no reportable issues.
Upgrading of Rwekunye – Apac – Lira Acholibur Road project	Integrated Transport Infrastructure & Services	Unqualified	• Out of the total budget of UGX.164,434,164,130 for the year 2022/2023, only UGX.125,575,383,403. (76.4%) was received, resulting in shortfall of UGX.38,858,780,727. • Out of the available funds for spending of UGX.108,877,184,116, a total of UGX.108,840,603,609 was spent during the year leaving un-spent balance of UGX.36,580,507. This represents the absorption rate of 99.97%. • Out of the planned acquisition of 1157.82 hectares of land for the project, only 872.743 hectares were acquired representing 75.38% land acquisition status. • I reviewed the project progress status and established that Lot 1 physical progress was 22.33% against the planned physical progress of 84.83% and Lot 2, had a physical progress of 29.10% and the contractor has not submitted a well-resourced program of works to establish the planned quantities and progress. • There is limited access to Right of Way (ROW) for certain road sections which has hindered the timely completion of the road works. • I noted that acquisition of titles for the acquired land for which compensation had been made is still in process.
Using Mobile Technologies to Prevent Vulnerable Mothers From COVID 19 in Rural South Western Uganda (Mobile Mom Care) Project of	Human Capital Development	Unqualified	• There were no reportable issues.

Mbarara University of Science And Technology (MUST)			
Voices-MUST Project for the 12 months Period ended 16th August, 2022	Human Capital Development	Unqualified	• According to the approved budget, the entity was supposed to receive USD.140,800 out of which USD.83,673, representing 59% of the budget was received resulting in a shortfall of USD.57,127 (41%). • I noted that out of USD.87,324 available funds, USD.35,954 (UGX.125,328,794) was spent representing an absorption level of 41%, leaving a balance of USD.51,370 (UGX.179,628,165) (59%) unspent. • I observed that MUST Voices Project had excess payments on items of salaries, travel, and indirect costs, worth USD.4,286. • I noted that all the employees were paid monthly salary from MUST Voices project to a tune UGX.81,229,629 (USD.23,303), yet they were full time employees of the University.
Water Supply and Sanitation in Refugee Hosting Communities in Northern Uganda Funded By (KFW) Project	Human Capital Development	Unqualified	• Whereas the concept note was prepared for the project against the development committee guidelines, there was no evidence of approval from PS/ST. • Although the project profile was prepared by the Accounting Officer for this project, there was no evidence of approval from the Development committee before the project was operationalised by the entity. • Out of the budgeted revenue of UGX. 45.764Bn only UGX. 20.862Bn (45.6%) was received. Out of the total available funds of UGX.33.96Bn only UGX. 23.96Bn was spent resulting in unspent balance of UGX.10Bn representing absorption level of 70.1%.
Yumbe Referral Hospital	Human Capital Development	Unqualified	• According to the approved budget, the Yumbe RRH did not plan to collect Non-Tax Revenue. However, by the end of the year UGX. 0.045Bn had been collected. Failure to plan for the collection of Non-Tax Revenue makes it difficult to measure and assess the performance of the revenue. • Out of the total warrants of UGX. 10.2Bn availed during the year, UGX.8.5 Bn was utilized by the hospital resulting in un-utilized warrants of UGX.1.7 Bn representing utilization of 83% • The hospital an approved wage budget of UGX.4.64Bn that was fully warranted out of which 2.97Bn representing utilization of 64%. The unutilised funds related to salaries, pension and gratuity.

			• Yumbe RRH had 125 employees on the HCM payroll of which 122 (98%) were fully verified, 2 (2%) partially verified and 1 staff did not show up. • A total of 26 employees on the payroll had inconsistencies in their dates of birth, captured in the payroll and data captured by NIRA on the National IDs. • There was under-remittance of UGX 0.146Bn of statutory deductions that were made by Yumbe RRH during the period. • Out of 555 approved positions, a total of 132 (24%) positions were filled leaving a gap of 423 (76%) vacant positions. • deliveries worth UGX.0.86Bn out of the total funds released to NMS of UGX. 916,244,052 were not made. Non-delivery of drugs affects service delivery.
Fisheries Training Institute (FTI)	Agro-Industrialization	Unqualified	• The Institute had an approved NTR budget of 1.45Bn which was all collected. Similarly, all the approved GOU budget of UGX.1.68Bn was availed to the entity. • Out of the total warrants/revenue of UGX.3.128Bn availed/received during the year, UGX.2.359Bn was utilized resulting in un-utilized funds of UGX.0.769Bn representing 75.41% utilization. • I sampled five (05) activities with a total budget of UGX.0.94Bn for assessment which was 44.4% of the total approved budget and noted that all of them were not quantified to enable assessment of performance. • A total of UGX.54.158Mn was still outstanding in fees dues from several students at Fisheries Training Institute (FTI). Comparatively, last financial year, management reported uncollected fees worth UGX.78.181Mn representing a 31% reduction in the level of outstanding fees from the Institute. • Activities such as procuring and delivery of laboratory equipment, fish cages, computers, hatchery materials, e-learning units, fish production tanks, brood stock (stocking) among others were not implemented due to delays in the procurement process.
Fisheries Training Institute for the financial year ended 30th June 2022	Agro-Industrialization	Unqualified	• The Comparatives for goods and services in the financial statements were misstated by UGX.5,110,844,464 arising out of unaccounted for funds worth UGX.3,613,430,572 and doubtful supplies worth UGX.1,497,413,892 made in the financial year 2020/2021. • The Institute owns and holds land comprised in plot 5 Fisheries close, LRV 4407 Folio 12 which had previously been issued to a private developer (M/s Masindi Hotel

			Ltd) by the Municipality. Despite cancellation of the lease by Entebbe Municipality in 2013, at the time of audit (2023), ownership was yet to revert to FTI. • The institute had dilapidated infrastructure and non-functional equipment such as fish aquarium, the boat yard among others. Similarly, a number of staff houses were still roofed with asbestos iron sheets, which presents a health risk to staff.
German Refugee Response Fund (GRRF) Project – The Scaled-Up Sustainable Domestic Water Supply and Sanitation Service Infrastructure in Rhino Camp Refugee Settlement, Arua District, Northern Uganda	Public Sector Transformation	Unqualified	• No Material Reportable Issues
Integrated Biorepository of H3africa Uganda (Ibrh3au) Project of Makerere University Ended 31st May, 2021	Human Capital Development	Unqualified	USD 420,153.84 was spent out of total available funds of USD 1,218,222.19, resulting into unspent balance of USD 798,068.35, representing an absorption level of 34.5%.
Integrated Biorepository of H3Africa	Human Capital Development	Unqualified	• Management budgeted to spend USD 1,475,169.72 but received USD 1,612,772.28 resulting in funds available to spend of USD.2,410,840.63.

Uganda (IBRH3AU, Grant No.5u24hg007 05109) Ended 31st May, 2022			• Of the funds available to spend, only USD 1,015,938.34 was spent, leaving USD 1,394,902.29 (58%) unspent. • Staff performance evaluation was not carried out; as evidenced by lack of performance evaluation reports.
MUST MACT Project for the period 1st June 2020 to 31st May 2021	Human Capital Development	Qualified	• A total amount of GBP 59,861 was spent out of the total available funds of GBP 65,941, representing an absorption level of 91%, leaving a balance of GBP 6,080 (09%) unspent. • The Project had excess payments on an item of personnel, worth GBP 1,063.57. • Management did not disclose GBP 6,168.31 received from the London School of Hygiene and Tropical Medicine. • The Principal Investigator was paid monthly salary from the MACT project to a tune USD. 28,848 despite being employed by the University (Government) and earning a monthly salary.
Makerere-SIDA Bilateral Research Program	Human Capital Development	Unqualified	• No material Issues to report on
Makerere University Center for Health and Population Research (MUCHAP) Company 30th June, 2022	Human Capital Development	Unqualified	• Review of the budget and the statement of financial performance and notes indicated that management budgeted to receive UGX.634,250,016 but only realised UGX.251,272,793 (40%), leading to a shortfall of UGX.382,977,223 (60%). • The Executive Director failed to convene Annual General Meetings in the period under review which may hamper the smooth management and governance of the Company.
Mbarara University of Science and technology (For the period 1ST JUNE, 2020 TO 31ST MAY, 2021)	Human Capital Development	Unqualified	• Out of the available funds of USD.123,854; only USD.112,882 was spent representing an absorption level of 91% leaving unutilised amount of USD.10,972 (9%). • The Principal Investigator was paid monthly salary from the CAD project to a tune of UGX.23,501,040, (USD.6,531) for the period under review despite being employed as a lecturer on permanent terms by MUST where he earns a salary.

MOMS Project For The 12 Months' Period Ended 14TH August 2018	Human Capital Development	Unqualified	• A total of USD.37,084 was spent out of available funds of USD.51,132, representing an absorption level of 73%, leaving a balance of USD.14,048 (27%) unspent.
MRI-NIH Must Project for the period ended 31st May 2021	Human Capital Development	Unqualified	• I noted that a total amount of USD 50,680 (UGX.179,668,318) was spent out of USD.72,926 (UGX.259,028,906) representing an absorption level of 69%, leaving a balance of USD.22,245 (UGX.79,360,588) (31%) unspent. • I observed that the Principal Investigator was paid monthly salary from the MRI NIH Project to a tune UGX.71,510,942 (USD.20,171.60) during the period under review yet he is a full time staff of the University.
MUST-TLD project for the period Ended 30th November 2021	Human Capital Development	Unqualified	• The project budgeted had an approved budget of USD.20,169 (UGX.71,639,234), but only received USD.9,525 (UGX.33,833,881) representing 47% level of performance. • Of the funds available to spend of USD.13,952, a total amount of USD.11,363 was spent representing an absorption level of 81%, leaving a balance of USD.2,695 (19%) unspent.
Non-Communicable Diseases Biomedical, Clinical, Epidemiological and Implementation Science Research to Strengthen Evidence-Based Interventions, Policy and Control in Uganda 1st June 2019 To 31st May 2020	Human Capital Development	Unqualified	• For the period under audit, the project budgeted to receive USD 245,890 but only USD 208,808 was received resulting into a shortfall of USD 37,082 (15.1%) • Out of the total of USD 208,808 received during the year, only USD. 100,965.64 was expended resulting into unspent funds of USD. 107,842.36 (51.6%). The funds were meant for activities that were not fully implemented by the end of the financial year which included Publications, participant tuition fees and health insurance among others.

Mactunicable Diseases Biomedical, Clinical, Epidemiological and Implementation Science Research to Strengthen Evidence-Based Interventions, Policy and Control in Uganda 1st June 2021 To 31st May 2021	Human Capital Development	Unqualified	• A review of the Project funding revealed that out of the available project funds for spending of USD 265,410.36, only USD 227,370.38 was expended resulting into unspent funds of USD. 38,039.98
Nagoya Protocol on Access to Genetic Resources and Benefit Sharing in Uganda (ABS) National Environment Management Authority (2020-2021)	Human Capital Development	Unqualified	• Out of the expected cumulative donor disbursement of USD 830,813 only USD 748,324 was received representing 94% performance. • I sampled fourteen (14) activities worth USD 830,813 and noted that targets for the fourteen (14) activities were yet to be achieved. • Out of the USD 830,813 that was budgeted for the FY 2022/23, USD 748,324 was available for representing a 90% performance. • Out of the total available funds of USD 748,324 only USD 166,577 was spent resulting in unspent balance of USD 581,747 representing an absorption level of 22%. • The intended services for the project were not achieved as there was slow implementation of activities.
Nurturing Genomics and Bio-Informatics Research Capacity in Africa (BRECA)	Human Capital Development	Unqualified	• Out of the budgeted funds of USD.249,932, only USD.208, 836 was released resulting in under funding of USD.41,096 (16.4%) • Out of the total funds of USD.208,836 received during the year, only USD.177,480.28 was expended resulting into unspent funds totalling to USD.31,355.72 (15%). The failure to utilize the released funds resulted into partial or non-implementation of planned activities, such as procurement of

Project of Makerere University 1st September 2017 to 31st August 2018			equipment, materials and supplies, and payment of Finance and Administrative Costs.
Nurturing Genomics and Bio-Informatics Research Capacity in Africa (BRECA) Project of Makerere University 1st September 2018 to 31st August 2019	Human Capital Development	Unqualified	• Out of the available Project funds of USD.198,895.72, only USD.188,716.82 was expended resulting into unspent funds totalling to USD.10,178.90.
Nurturing Genomics and Bio-Informatics Research Capacity in Africa (BRECA) Project of Makerere University 1st September 2019 to 31st August 2020	Human Capital Development	Unqualified	• Out of the available Project funds of USD 234,429.60 only USD 231,933.30 was expended resulting into unspent funds totalling to USD. 2,496.30.
Nurturing Genomics and Bio-Informatics Research Capacity in	Human Capital Development	Unqualified	• Out of the available Project funds for spending of USD.318,066.30, only USD.251,685.86 was expended resulting into unspent funds of USD.66,380.44. The under absorption of funds translates into underperformance since some activities were not implemented for example; procurement of materials and supplies, student travel for further studies and renovation of 3 blocks at Kasangati.

Africa (BRECA) Project of Makerere University 1st September 2020 to 31st August 2021			• Finance and Administrative overheads of 8% of the budget worth USD.73,690 were not remitted to the University by the Project. These funds were to be used for renovating three blocks at Kasangati where Masters and PhD trainees in Bioinformatics were to be housed.
Oncology-MUST project for the 6-month Period ended 31st July 2016	Human Capital Development	unqualified	• I observed that MUST Oncology Project had excess payment on an item of personnel costs, worth USD.474.42. • A total amount of USD.11,337 (UGX.36,959,989) was spent out of USD.12,853 (UGX.41,897,716) representing an absorption level of 88%, leaving a balance of USD.1,515 (UGX.4,937,726) (12%) unspent.
PACO-MUST Project for the period ended 31st Dec 2021	Human Capital Development	Unqualified	• I observed that MUST PACO Project had excess payments on items of personnel costs, worth USD.11,508 (UGX.40,637,625). • An employee was paid monthly salary from MUST PACO Project to a tune UGX.19,450,800 (USD.5,508) during the period under review yet She is a full-time employee of the University.
Pandemic related Disruptions in HIV "Care among adolescents and young adults living with HIV (AYALWH) and the Potential For Health Interventions" Project for the period ended 6t September 2022	Human Capital Development	Unqualified	• Out of the total budget of USD.60,000, only USD.43,787 73%) was realized, leading to a shortfall of USD.16,213 (27%). • Out of the total amount received, only USD.28,051 (64%) was absorbed resulting into an under absorption of USD.15,736 (36%).
RASA-MUST Project for the	Human Capital Development	Unqualified	• According to the approved budget, the entity was supposed to receive USD.61,744 (UGX.217,414,208) out of which USD.44,415 (UGX.156,394,529) was received

period ended 31st March, 2022			representing 72% of the budget, resulting in a shortfall of USD.17,329 (UGX.61,019,222) (28%). • Some employees were paid monthly salary from MUST RASA Project to a tune UGX.124,009,608 (USD.35,218) during the period under review and yet the above staff were employed by MUST where they were also paid monthly salaries.
Reducing Climate Change Vulnerability of Local Communities in Uganda Through Ecosystems Based Adaptation (EBA) in Wetlands and Forest Ecosystems Project (For the year ended 31st December 2021)	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	• The project was implemented without ever being in the Public Investment Plan (PIP). • Out of the expected cumulative disbursement of UGX 2,452,138,031 only UGX 1,104,802,203 was received representing a 45% performance. • Out of the twenty-four (24) activities sampled worth UGX 2,268,128,595 (USD. 618,058), all the targets for the twenty-four (24) activities were yet to be achieved. • Out of the approved budget of UGX 2.45 Bn (US$ 668,200) for the year 2021 only UGX. 1.1Bn (US$ 301,055) was available for spending resulting in a shortfall of UGX.1.35Bn (55%). • Out of the total available funds of UGX 1.104 Bn, only UGX 0.142Bn (11.3%) was spent resulting in unspent balance of UGX.0.962Bn. • There was delay in take-off of project activities in the selected sites thereby affecting overall service delivery. • The entity received off-budget financing to a tune of UGX 1.1 billion.
Refugee Integration-MUST project for the period ended 31st December 2021	Human Capital Development	Unqualified	• According to the approved budget as outlined in Article 4 of the Grant Agreement, the entity was supposed to receive EUR.48,248 (UGX.204,716,264) out of which nothing was received, but rather balance brought forward was utilized worth EUR.6,068.83 (UGX.25,429,470). • Three employees were paid monthly salary from MUST Refugee Integration Project to a tune UGX.18,529,056 (EUR.4,367) (translated using a rate of EUR.1 to equal to UGX.4,242.84.
Social Networks Study Project in MUST for the Period ended 30th June 2021	Human Capital Development	Unqualified	• According to the approved budget as outlined in the Modification of the Consortium Agreement, the entity was supposed to receive USD.319,941 (UGX.1,155,306,951). However, only USD.275,295 (UGX.994,090,245) representing 86% of the budget was received, resulting in a shortfall of USD.44,646 (14%).

			• Out of USD.277,141 (UGX.1,000,692,292) of funds available for the period, a total amount of USD.226,294 (UGX.817,045,451) was spent, representing an absorption level of 82%, leaving a balance of USD.50,848 (UGX.183,646,841) (18%) unspent. • I observed that management used direct procurement method to procure health insurance worth UGX.6,630,000 (equivalent to USD.1,837), without appropriate justification.
TB-SPEDD Project of Mbarara University of Science and Technology for the Period ended 31st October 2021	Human Capital Development	Unqualified	• Euros 65,228.48 was spent representing an absorption level of 96%, leaving a balance of Euros 2,415.5 (4%) unspent.
The Analysis of past and projected future land use change and its Impact on the sediment Fluxes in RWIZI Catchment (RWIZI) project for the period ended 31st December 2020	Human Capital Development	Unqualified	• The project had Euros 28,243.89 available to spend, but spent only Euros 20,068.57 (71%), leaving a balance of Euros 8,175.32 (29%) unspent.
The skills acquisition project in Mbarara University of Science and Technology for the period ended 31st May 2022	Human Capital Development	Unqualified	• A total amount of GBP.67,827 was spent on activities of the project, representing an absorption level of 72%, leaving a balance of GBP.26,163.80 (28%) unspent.

The Third National Communication Project Implemented by Ministry of Water and Environment (TNC) December 2022	Natural Resources, Environment, Climate Change, Water and Land Management	Unqualified	The following was noted: • A Project concept note was prepared and approved as evidenced in an approval letter of 16th February 2019. • A project profile was prepared and approved by the Development committee as evidenced by DC communication of approval of October 2028. • The Project Pre-feasibility and Feasibility studies were undertaken and that reports were approved by the DC of MoFPED as evidenced by Copies of the approval minutes availed for audit. • Whereas the project was expected to end on the 30th of June 2024, an extension of one year ending 30th June 2025 was granted to complete all the project deliverables and manage the defects liability period. • I sampled eighteen (18) outputs with eleven (18) activities and noted that targets for six (6) activities had been fully achieved, targets for 8 activities had been partially achieved while 4 activities were yet to be achieved. • The project had an approved budget of UGX.51.35Bn for the financial year 2022/2023 out of which UGX. 61.93Bn was available for spending resulting in excess receipts of UGX.10.58 Bn representing 120.6% performance. • Out of the total available funds of UGX. 61,958,103,355, only UGX.60, 562,511,646 was spent resulting representing an absorption level of 97.8%. • I noted that some projects had been completed while others were still ongoing implying that service delivery was yet to be fully realized.
Uganda Country Coordinating Mechanism (UCCM) (for the year ended 31st December 2022)	Human Capital Development	Unqualified	• UCCM budgeted to receive revenue of UGX. 2,548,835,136 for the year 2022. Of this budget, UGX.1,695,987,057 was realized representing an overall performance of 66.5% of the target and a shortfall of UGX.852,848,079, I advised the Accounting Officer to continue liaising with the respective stakeholders to ensure operational efficiencies that support timely release of funds. • Out of the UGX.1,695,987,057 received, UGX. 374,977,836 was from Global fund; UGX.1,205,000,001 from Government of Uganda (Uganda Aids Commission) and UGX.116,009,220 from GIZ. In addition, UCCM had an opening balance of UGX.191,748,233. As a result, the available funds were UGX. 1,887,735,290 during the year; However out of a total of UGX.1,887,735,290 funds available during the year, a total of UGX.1,370,361,271 was spent resulting into an unspent balance of UGX.517,374,019 representing 27.4% of the available funds; The under absorption of funds has affected the implementation of planned activities of UCCM.
WIMS-MUST Project for the Period 1st September	Human Capital Development	Unqualified	The following was noted; • The entity was supposed to receive USD.31,753, out of which USD.30,556 was received representing 96% of the budget, resulting in a shortfall of USD.1,197 (4%).

2020 to 31st August 2021			• A total amount of USD.29,702 (UGX.106,544,443) was spent representing an absorption level of 95%, leaving a balance of USD.1,468 (UGX.5,393,210) (5%) unspent.
WOTRO MRI Project of Mbarara University of Science and Technology	Human Capital Development	Unqualified	• The project received EURO.13,860 (81%) out of the budgeted amount of EURO.17,138. • From the total of funds available to spend of EURO.15,489, only EURO.8,670 was spent representing an absorption level of 60%.

REPORTS AND CONSOLIDATED FINANCIAL STATEMENTS OF THE GOVERNMENT OF THE REPUBLIC OF UGANDA FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023

ANNEXURE IV: REPORT ON THE CONSOLIDATED FINANCIAL PREFORMANCE OF STATUTORY CORPORATIONS AND STATE ENTERPRISES FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2023.

Reports and Consolidated Financial Statements of the Government of the Republic of Uganda

For the year ended 30 June 2023

Accountant General's Office
MINISTRY OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

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List of Acronyms

ADF	African Development Fund
CBR	Central Bank Rate
CFS	Consolidated Financial Statements
COVID	Corona Virus Disease
e-GP	Electronic Government Procurement
FY	Financial Year
GoU	Government of the Republic of Uganda
ICJ	International Court of Justice
IDA	International Development Agency
IFMS	Integrated Financial Management System
IMF	International Monetary Fund
IPSAS	International Public Sector Accounting Standards
MSC	Microfinance Support Center
MSMEs	Micro, Small and Medium Enterprises
NDP	National Development Plan
NDPIII	Third National Development Plan
NTR	Non-Tax Revenue
PBS	Program Budgeting System
PDM	Parish Development Model
PDMIS	Parish Development Model Information System
PF	Petroleum Fund
PFMA	Public Finance Management Act
PPE	Personal Protective Equipment
PUSATI	Public Universities and Tertiary Institutions
SACCOs	Savings and Credit Cooperatives
UCF	Uganda Consolidated Fund
UDB	Uganda Development Bank
UDC	Uganda Development Corporation
UGX	Uganda Shillings
URA	Uganda Revenue Authority

Statement of Responsibilities

The GoU Consolidated Financial Statements for the financial year ended 30th June 2023 as set out on pages 22 to 37 have been prepared in accordance with Section 52(1) of the Public Finance Management Act (PFMA), 2015 as amended [the Act] and the Public Finance Management Regulations 2016.

The Minister of Finance, Planning and Economic Development heads the Treasury as stipulated in Section 10(2) of the Act. The Minister is mandated with the responsibility of supervision and control of all matters relating to the financial affairs of Government, including the management of the Consolidated Fund.

Section 11 of the Act requires the Secretary to the Treasury to advise the Minister on economic, budgetary and financial matters of Government. The Secretary to the Treasury is also responsible for setting standards for public finance management systems and monitoring of the systems' performance. This function includes the management of the Consolidated Fund and any other fund as may be assigned by the Minister.

Section 46 of the Act entrusts the Accountant General with the responsibility for compilation and consolidation of the accounts of votes, custody and safety of public moneys and resources of Government, custody of all Government certificates of titles for investment, and the maintenance of a register of Government investments. The Accountant General is also responsible for ensuring that a system of accounting is established to promptly receive and account for all Government monies and other assets.

I confirm that the Consolidated Financial Statements for the financial year ended 30th June 2023 have been prepared in accordance with Generally Accepted Accounting Principles and aligned to the Government of Uganda legal and regulatory framework.

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L. Semakula
ACCOUNTANT GENERAL

To the best of my knowledge, I confirm that the Consolidated Financial Statements for the financial year ended 30th June 2023 are in compliance with the legal and regulatory framework that governs the public funds of the Government of the Republic of Uganda and its operations.

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Ramathan Ggoobi
PERMANENT SECRETARY/SECRETARY TO THE TREASURY

To the best of my knowledge, I confirm that the Consolidated Financial Statements for the financial year ended 30th June 2023 and the financial information contained therein have been prepared in accordance with the Public Finance Management Act 2015.

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Hon. Matia Kasaija (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Statement from the Hon. Minister of Finance, Planning and Economic Development

In compliance with the provisions of the Public Finance Management Act 2015, as amended, I am delighted to present the Consolidated Financial Statements for Central and Local Government votes for the financial year (FY), which ended on 30th June 2023. The consolidated financial statements provide information on the financial activities of Central and Local Government votes based on the national priorities articulated in the Third National Development Plan (NDP III) and the approved annual budget for the FY 2022/2023, enabling stakeholders to assess the Government of Uganda's fiscal performance and as well as its ability to meet current and future obligations.

During the financial year 2022/2023, the economy remained resilient and continued on a recovery path despite the residual impact of the COVID-19 pandemic, global shocks, and contractionary fiscal and monetary policy measures taken to curb inflation. In real terms, the economy grew by 5.5% compared to the revised growth rate of 4.6% in the previous financial year. The performance for FY 2022/2023 compares favorably with the average growth rate for Sub-Saharan Africa, estimated at 3.6% for the calendar year 2023. The size of the economy was estimated at UGX 184.3 trillion, compared to UGX 162.9 trillion in the prior financial year. This is equivalent to USD 49.4 billion compared to USD 45.6 billion last financial year.

Uganda's income per capita increased to US$1,043 in FY 2021/2022, surpassing the annual NDP III target of US$991 for FY 2021/2022. This improvement continued in FY2022/2023, with GDP per capita further rising to US$1,088 against the NDP III Target of USD1,049. This economic growth is mainly attributed to the Government's initiatives to support private sector activity, increased regional trade, and the strong performance of all three sectors of the economy. The services sector grew by 6.2% and contributed 42.6% to GDP; the industry sector grew by 3.9% and contributed 26.1% to GDP; and the agriculture, forestry, and fisheries sector grew by 5.0% and contributed 24% to GDP. Additionally, the Government's increased investment in infrastructure development and implementation of policies to support economic recovery and socio-economic transformation also contributed to the positive economic performance.

Government's policy stance adopted in the financial year 2022/2023 and over the medium term was crafted within the context of a number of externally induced shocks. The Government initiated innovative approaches to recover the economy to pre-COVID-19 pandemic levels. The strategy sought to restore economic activity to pre-pandemic levels and subsequently accelerate the pace of socio-economic transformation. This is in line with NDP III's goal of increasing household incomes and improving the quality of life of Ugandans through sustainable industrialization for inclusive growth, employment, and wealth creation. The three broad objectives of the strategy were:

a) Sustaining peace, security, and stability, as well as macro-economic stability, as key foundations for recovery, growth, and socio-economic transformation.
b) Mitigation of the COVID-19 impact on business activity, livelihoods, and the overall economy.
c) Speeding up socio-economic transformation by repurposing the budget towards wealth and job creation and other impactful investments.

On behalf of the Ministry of Finance, Planning and Economic Development (MoFPED). I would like to acknowledge our staff, Development Partners, stakeholders across Government, the private sector, academia, and international agencies who have supported us in the implementation of the Government's budget strategy. The key performance highlights for the FY 2022/2023 are summarized below:

i) Fiscal Performance

The fiscal strategy for FY2022/2023 and the medium term was to pursue growth-friendly fiscal consolidation to preserve fiscal and debt sustainability by focusing on the following;

a) Continued implementation of the Domestic Revenue Mobilisation Strategy (DRMS) to ensure that revenue to GDP grows by at least 0.5% every financial year.
b) Fiscal consolidation through reducing the share of expenditure to GDP to ensure debt sustainability.
c) Reduce domestic borrowing to a share of no more than 1% of GDP in the medium term so as to avoid crowding out the private sector.
d) Improve efficiency in project execution to reap the economic gains from these projects.

During the financial year 2022/2023, net revenue collections (total revenue including petroleum revenue and excluding tax refunds) by Uganda Revenue Authority (URA) amounted to UGX 25,209.1 billion. Net revenue collections however excluding petroleum revenue was UGX 25,083.8 billion which was UGX 67.8 billion below the set revenue target of UGX 25,151.6 billion. However, revenue growth of 16% [UGX 3,550 billion] was registered compared to the 12.4% for the FY 2021/2022. The increase in revenue growth is attributed to the increase in the stability and resilience of the economy in the financial year 2022/2023.

ii) Inflation and Interest Rates

Inflation has reduced steadily on account of well-coordinated fiscal and monetary policy. Inflation has significantly decreased since October 2022, when it peaked at 10.7%. Annual inflation, as measured by the Consumer Price Index for Uganda for the 12 months to June 2023, was registered at 4.9% compared to the 6.2% registered in the year ended May 2023. The slowdown in the annual inflation is largely attributed to the annual core inflation, which slowed down to 4.8% in the year ending June 2023 compared to 5.6% registered in the year ended May 2023. Commercial bank lending interest rates increased to 20.14% in May 2023 from 18.8% in April 2022, in line with the tight monetary policy stance engineered by the increase in the Central Bank Rate (CBR) to 10% since October 2022, to curb inflation and to restore price stability while supporting economic growth. Despite the increase in interest rates, total private sector credit increased from Ushs. 20.0 trillion in July 2022 to Ushs. 20.4 trillion in June 2023, representing an annual growth of 2%.

iii) Exchange Rate

In the FY 2022/2023, the shilling was relatively stable against major global currencies despite the strengthening of the US dollar with a bias towards depreciation. Between April 2022 and April 2023, the Uganda Shilling depreciated by 5.8% against the US Dollar, compared to an average depreciation rate of 8% within the East African region. During the first ten (10) months to April 2023, the shilling depreciated by 5.2% to an average mid-rate of UGX.3,759.2 per US Dollar from an average of UGX 3,571.8 per US dollar in the previous year. However, the Uganda Shilling gained strength against the United States dollar during the month of June 2023 with an appreciation of 0.6% month-on-month to an average mid-rate of UGX 3,707.79 per US dollar from UGX 3,729.55 per US Dollar registered in May 2023. This appreciation was supported by the continued budget support inflows from development partners, Foreign Direct Investment inflows into the oil and gas sector, significant recovery in Tourism, and the recent good performance of exports.

iv) External Trade

The value of Uganda's merchandise exports increased by 35.5% to US$ 4.2 billion from US$ 3.1 billion during the same period of the previous fiscal year. This is primarily due to an increase in regional exports of gold, coffee, fish, sugar, legumes, maize, and light manufactured goods. The government supported exports through a variety of initiatives. Among these were the provision of affordable and long-term capital, investments in transport infrastructure and energy in particular, and the construction of industrial complexes. These efforts have begun to bear fruit. Manufactured exports have re-emerged as a significant contributor to merchandise exports. In 2022, Uganda exported sugar valued at US$ 163 million, cement valued at US$ 87 million, plastics valued at US$ 61 million, detergent valued at US$ 31 million, and beer valued at US$ 29 million. As recently as 2006, none of these products were exported. At a regional level, by April 2023, Uganda recorded a trade surplus with our East African Community trading partners of US$ 1.0 billion. Tanzania remains the only East African Country trading partner where Uganda recorded a bilateral trade deficit of US$ 154 million.

v) Science, Technology and Innovation (STI) Infrastructure

Developing the requisite science infrastructure will stimulate and manage the flow of knowledge and technology amongst Universities, R&D institutions, companies and markets. In provision of National Public Services, Government, in FY2022/2023 undertook the following:

(i) Completed 66% of the Civil Works for the National Science, Technology, Engineering and Innovation Centre (NSTEIC) and the Technology Innovation and Business Incubation Centre (TIBIC). These centres will provide scientists and innovators with access, common user facilities, state-of-the-art testing units, training centres with multiple disciplines, quality upgrade, technical/business assistance and specialized R&D facilities.

(ii) Facilitated the Kiira Vehicle Plant at the Jinja Industrial and Business Park. Construction works at the Kiira Motors Corporation (KMC) are near completion. The Plant is expected to boost the country's automotive industry value chain since it will produce 22 vehicles (buses & trucks) per day and 5,000 vehicles annually.

(iii) Facilitated Mpoma Earth Station and completed all the renovation works. The Mpoma facility, where Uganda already has two antennas, will serve as the operations and communications center for satellites launched by Government and universities.

(iv) Launched its first satellite named PearlAfricaSat-1 in November 2022. The satellite was developed through the Joint Global Multi-Nation Birds Project 5, in collaboration with the Kyushu Institute of Technology in Japan.

vi) Boosting Household Incomes and Micro Enterprises

Building on the lessons learnt from previous government interventions, the Cabinet, in 2021 approved the Parish Development Model (PDM) as the last mile strategy for improving incomes and welfare of all Ugandans at the household level and development of micro-enterprises. In financial year 2022/2023, a total of 10,585 PDM Savings and Credit Cooperative Societies (SACCOs) nationwide were capitalized with UGX 100million per parish SACCO totaling to UGX 1.059 trillion.

As part of the strategy to support Small and Medium Enterprises (SMEs) with specialized skills, Government also continued with the implementation of the Presidential Initiative on Wealth and Job creation (Emyooga) initiative countrywide. By the end of the financial year, Government had disbursed seed capital to Emyooga SACCOs and UGX 76.3 billion savings had been internally mobilized by March 2023, while UGX 80.27 billion had been recovered from the beneficiaries. By end of March 2023, 607,636 individual beneficiaries had borrowed from the Emyooga Parish-based Associations across the country, 46% of whom are women, 25% are youth, 4% are PWDs and generated a total of 378,640 employment opportunities.

vii) Public Debt Sustainability

During the financial year, total Public debt increased by 11% from UGX 86,839billion to UGX 96,168billion. However, in nominal terms, Uganda's Debt to GDP stands at 48.2% this financial year ending June 2023. This is slightly below the Government policy target of not more than 50% of GDP and also below the 52.4% threshold provided for in the Charter for Fiscal Responsibility as at end financial year 2023/2024, highlighting Government's commitment to debt sustainability. The debt service to domestic revenue increased during the financial year ending June 2023 compared to the previous year. The increase in the debt service cost was due to increased external commercial and domestic borrowing. In order to maintain debt sustainability, Government will work to ensure effective implementation of the Domestic Revenue Mobilization Strategy, access new sources of financing including climate and green financing, limit non-concessional borrowing and reduce domestic borrowing

viii) Outlook FY 2023/2024

In the next financial year (FY 2023/2024) Government will build on the progress made so far in achieving the overall goal of the NDPIII which is to increase average household incomes and improve the quality of life of Ugandans. In line with the above goal and in light of the prevailing social-economic challenges, the overall macroeconomic objective for FY2023/24 is to restore the economy back to the medium-term growth path of 6% to 7% per annum. To achieve this, Government will prioritise improving competitiveness of the economy by enhancing revenue collection, rationalising public expenditure, building resilience of the private sector to withstand economic shocks, raising productivity of farms and firms and working to lower the cost of doing business. Additionally, Government will work to preserve and maintain a stable macroeconomic environment through a well-coordinated combination of prudent fiscal and monetary policies as well as to ensure continued debt sustainability.

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Hon. Matia Kasaija (MP)

MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Statement from the Secretary to the Treasury

1. Mandate

The Consolidated Financial Statements for the financial year ended 30th June 2023 were prepared by the Ministry of Finance, Planning and Economic Development (MoFPED) in accordance with Section 52(1) of the Public Finance Management Act (PFMA) 2015 as amended. These statements have been prepared using the modified accrual basis of accounting and Generally Accepted Accounting Principles (GAAPs) as detailed on pages 36-45 of these statements. However, appropriate and meaningful additional information has been disclosed to enhance understanding and usefulness of the information disclosed in the statements.

2. Purpose of Consolidation

The Consolidated Financial Statements provide a comprehensive and transparent view of the financial position, cash flows and performance of Government of Uganda for the financial year ended 30th June 2023 and its ability to meet current and future obligations. In addition, the statements also provide information on the management of resources entrusted to the Government of Uganda for the delivery of services to citizens and its compliance with legal and regulatory frameworks governing public financial management and other government operations.

3. Public Financial Management (PFM)

Throughout the financial year, the primary objective of the PFM System was to steer the economy towards recovery from the adverse aftermath of the COVID-19 pandemic. This involved mitigating the repercussions of surging inflation, which triggered a near cost-of-living crisis, and addressing the spill-on impacts of the Ukraine-Russia conflict. The government instituted various measures to facilitate the resurgence of the private sector, such as implementing contractionary fiscal and monetary policies to curb inflation. Additionally, numerous other PFM reforms were implemented over the year to enhance the transparency, efficiency, and effectiveness of delivering government priorities. Highlights of the key activities undertaken during the year are summarised below:

a) Support to Local Governments- Establishment of Regional Centers

Regional Treasury Service Centres (RTSCs) were established with the aim of serving as comprehensive support hubs for end users of various Government Public Financial Management (PFM) systems. In the course of the financial year, the Ministry initiated the renovation and launch of two (2) additional RTSCs: one situated in Kabarole District, catering to the Rwenzori sub-region, and the other in Lira District, serving the Lango region. This development increases the overall count of regional centers to 12, thereby significantly expanding the reach and assistance available for PFM Systems to encompass all government entities across every region.

b) Integrated Revenue Administration System (IRAS)

The Integrated Revenue Administration System (IRAS) is a versatile web and mobile application platform designed to assist Local Governments, Cities, and Municipalities in the complete cycle of local revenue management, including registration, assessment, billing, payment, receipting, and reporting. In addition, it serves as a means of educating taxpayers and connecting citizens with their respective LGs, cities, and municipalities. Its primary goal is to enhance the capacity of Local

Government Revenue Administration through the utilization of digital technology, aligning with the government's broader strategy to boost domestic revenue collection. Currently, IRAS is being used by 104 LG entities, and there are plans to expand its coverage in the upcoming financial years. Notably, during the previous financial year, the Ministry of Finance, Planning, and Economic Development, in collaboration with the Ministry of Local Government and the Local Government Finance Commission, successfully aligned IRAS revenue codes with the revised government Chart of Accounts. Furthermore, integration testing of IRAS and IFMS was successfully concluded, and there are intentions to roll out the complete integration in the coming financial year.

c) Public Investment Management

Government of Uganda has adopted an infrastructure-oriented growth agenda, and as a result, there has been a growing need to manage the long-term capital public expenditure associated with it. A number of important measures have been undertaken, including giving the Development Committee (DC) a stronger role as a gatekeeper for new investment proposals, the establishment of the Projects. Analysis and Public Investment Department, and development of guidelines and manuals to improve the quality of project preparation and appraisal. In FY2022/23, the Government identified core projects aligned with the programmatic approach adopted in the NDP III. These projects incorporate the country's development priorities and also address strategic bottlenecks. In the review period, Government updated the National Parameters and Commodity Specific Conversion Factors (CSCF) database. These are key in ensuring a uniform standard is used in assessing the quality of proposals during the economic evaluation of projects submitted for the Public Investment Plan (PIP). During FY2022/2023, Government updated the economic opportunity cost of capital for public investments. The Development Committee Guidelines introduced capital thresholds for projects to be included in the PIP, which has been key in ensuring the credibility of the Development Budget. During FY2021/22 and FY2022/23, the capital composition of the projects stood at 69 % to 78%. Adherence to this requirement is mainly attributed to stringent portfolio reviews conducted by the DC to ensure that only eligible interventions are implemented in the PIP. Government is committed to ensuring that project performance for both GoU and externally funded projects improves through regular review of all projects in the Public Investment Plan to ensure they are on track.

d) Implementation of the Parish Development Model

The Parish Development Model (PDM) is a government development strategy to improve incomes and the quality of life for the 39% of the households stuck in the subsistence economy and is implemented along seven pillars. To support the sustainable achievement of the PDM goals, the Financial Inclusion Pillar, whose objective is to sustainably transform subsistence households by easing access to appropriate financing, adopted a phased approach for the operationalisation of the Parish Revolving Fund (PRF), with a view of eventually transforming the PRF into a Parish Development Bank over the next five (5) years. Under this approach, the implementation is divided into 3 phases, namely: (i) the establishment phase, (ii) the stabilisation phase, and (iii) the sustainability and exit phase. The establishment phase implemented during the period FY 2021/2022 – FY 2022/2023 entailed the following:

i) Community Mobilisation and Sensitisation.
ii) Establishment of PDM enterprise groups and SACCOs.
iii) Training of leaders and members in PDM enterprise groups and SACCOs.
iv) Execution of PRF Financing Agreements between the Government and the SACCOs.

v) Implementation of Financial Inclusion systems (onboarding of PDM SACCOs on IFMS, PDMIS, e-wallet, and the M&E system).
vi) Collection of baseline data on communities and Households.
vii) Capitalization of all PDM SACCOs.
viii) Undertake regular monitoring.

In order to facilitate the PDM strategy, UGX 1,059.4 billion was provided for the capitalization of 10,594 PDM SACCOs. As at 30th June 2023, a total of 10,585 PDM SACCOS had been fully capitalized with UGX 100 million each. The Ministry of Finance, Planning and Economic Development (MoFPED) will continue to provide all the necessary support to ensure the successful implementation of PDM.

e) National Sustainable Procurement Action Plan

Sustainable procurement has been identified as a major tool for promoting sustainability in the 2030 Agenda for Sustainable Development, which is intended for the people, the planet, and prosperity. As part of Public Financial Management Reforms, the Ministry of Finance, Planning and Economic Development has embarked on the journey of integrating sustainable public procurement in the procurement system, a policy intent in the National Public Sector Procurement Policy approved by the Cabinet in 2019. During the financial year, MoFPED top management approved a five-year National Sustainable Public Procurement (SPP) Action Plan for implementation. The main objectives of this action plan are:

i) To enable all stakeholders involved in the integration process to understand what needs to be done, when, and by whom;
ii) To offer a complete overview of the integration process, making it easier for the implementing entities to allocate adequate resources and ensure people understand the tasks, personnel, and appropriate tools needed to execute their tasks;
iii) To enable different stakeholders to track progress toward specific milestones and measure performance.

In line with Sustainable Development Goal (SDG) 12.7 for Countries implementing Sustainable Public Procurement, Uganda commenced official reporting on the implementation of sustainable procurement in October 2022. Sustainable Public Procurement practices derive true overall value for Public Money, as every single purchase has hidden health, environmental, and social impacts throughout the entire supply chain and, if well implemented, can be a powerful force for delivering improved economic, environmental, and social outcomes.

f) Central and Local Government PFM Assessment

In FY 2022/2023, MoFPED, in collaboration with Ministry of Local Government, other government entities and Development Partners (DPs), completed the Central and Local Government Public Expenditure and Financial Accountability (PEFA) assessment. PEFA provides a framework for assessing and reporting on the strengths and weaknesses of a Public Financial Management (PFM) system using quantitative indicators to measure performance. Overall, the assessment confirms that Uganda's PFM reforms have been successful in establishing a solid foundation for the country's PFM system. 11 out of the 31 PEFA Central Government indicators are rated better than in the 2016 assessment – have enabled GoU to mobilize and use resources in line with its medium-term budget and five-year development plan.

The PFM systems in place are generally effective – as is the capacity for enforcing the existing regulatory framework and are sufficiently transparent to allow citizens to monitor the performance of their Government. The assessment also identified some areas in budget execution, public investment management, asset management, and legislative scrutiny that need improvement. The Local Government assessment shows that the PFM system appears to work reasonably well at the sub national level. However, there are apprehensions related to the rating regarding the predictability of funds available to sustain expenditures. Most of the control mechanisms in place to reduce possible leakages in the PFM system — such as internal controls, procurement, and controls over payroll— are reasonable. However, public asset management in Local Governments shows an average performance. Government has commenced the process of preparing a 4-year PFM Reform Strategy and an action plan for addressing the identified weaknesses.

g) MDB Assessment of Government Electronic Procurement System (e-GP)

As part of the reforms to make public procurement more efficient and transparent, Government is rolling out a web-based Electronic Procurement System (e-GP) to automate public sector procurement and disposal processes. The World Bank carried out an assessment of Uganda's e-GP system using Multilateral Development Banks (MDB) e-GP Assessment Guidelines in February 2023, and the main objective of the assessment was to evaluate the home-grown e-GP system and validate that the system:

(i) Covers all the required processes of the procurement cycle;
(ii) Follows the international best practices; and
(iii) Is compliant with the MDB's e-Tendering guidelines.

Additionally, the objective included assessing how best the e-GP system can be used for procurements under World Bank-funded projects. Based on the assessment's findings, the Uganda e-GP system to a large extent, complies with the MDB e-GP requirements. It broadly covers the functional and process facilities required to meet the procurement procedures under World Bank-funded projects. The assessment report recommended that the system can be used in the Program for Results (PforR) procurements for the categories of goods, works, and services (consulting and non-consulting) and RFQ-based procurements under the Investment Project Financing (IPF) financed by World. MoFPED has embarked on the implementation of the recommendations in the assessment report to further improve the system.

h) Mid-Term Review of NDP III

Government, through the National Planning Authority (NPA) finalized the Mid-Term Review (MTR) for the third National Development Plan 2020/21-24/25. The review covered the period 2020/2021 to 2021/2022 and was aimed at providing conclusions on how relevant, efficient, and effective the Plan has been in supporting Uganda's development trajectory, especially in view of the COVID-19 pandemic. The review was further intended to determine the extent of progress made towards achieving the NDP III objectives, key milestones, and overall results with various relevant dimensions within the economy halfway through its implementation. To this end, it presented an opportunity to realign the NDP III for the remaining plan period.

i) Improvements in Asset Management Processes due to the IFMS upgrade

Government has initiated the implementation of asset management reforms, guided by a 5-year Asset Management Strategy (AMS) and Action Plan covering the period from 2021 to 2025. The primary aim of this strategy is to address existing data gaps related to assets and ensure that Ministries, Departments, Agencies, Local Governments (MDALGs) maintain comprehensive and accurate asset registers. These registers are essential for informed decision-making regarding the optimal utilization of assets to efficiently deliver public services. As part of the re-implementation of the Integrated Financial Management System (IFMS), the Fixed Assets module has undergone significant enhancements to enable more effective asset management throughout their entire lifecycle, including planning, budgeting, acquisition, utilization, disposal, and reporting. During the financial year ended 30th June 2023, a pilot of the new fixed assets register was conducted in five (5) entities, which included the Ministry of Defence, Uganda Police, External Security Organisation, Internal Security Organisation, and Lwengo District. All of their fixed assets were successfully uploaded into the IFMS system. The plan is to progressively extend the use of this updated fixed assets register to all government entities during the 2023/2024 financial year.

j) Enhanced Treasury Single Account (TSA) Framework

As part of the re-implementation of IFMS, government overhauled the Treasury Single Account (TSA) framework, transforming it into a more efficient system as a Single Unified Account, which offers a higher level of cash management effectiveness. Under this system, the government now maintains a Single Treasury Account, through which all government entities directly handle payments. This consolidation has lightened the burden on the banking structure, making it more streamlined and easier to manage. Additionally, the TSA framework has been extended to cover foreign currency operations, allowing for the activation of straight-through transactions in major government-used currencies such as USD, GBP, and EURO. This enhanced framework has yielded several benefits, including:

i. The simplification of processing foreign currency payments
ii. Improved cash management through a clearer view of the government's cash position, reducing idle funds and simplifying cashflow planning.
iii. Reduced transaction and exchange rate costs which would arise out of currency conversion
iv. Streamlined banking operations through a single account, thereby reducing administrative complexities and centralizing bank account reconciliation.
v. Centralized control over government funds, ensuring compliance with financial regulations and budgetary constraints while preventing unauthorized disbursements.

k) Establishment of Climate Finance Unit (CFU)

Like many countries around the World, Uganda is experiencing significant impacts of climate change. Government is implementing actions to mitigate and adapt to climate change. Government of Uganda set up the Climate Finance Unit (CFU) under the Ministry of Finance, Planning and Economic Development (MoFPED), with funding from the United Kingdom-Foreign, Commonwealth and Development Office (FCDO) through the Global Green Growth Institute (GGGI). The CFU seeks to enhance the mobilisation of climate financing in line with MoFPED's mandate of mobilising resources to finance Government Development priorities.

l) Transition to Full Accrual Basis of Accounting

In a drive to improve financial reporting, Government is transitioning to reporting on the full accrual basis of accounting based on large aspects of the International Public Sector Accounting Standards (IPSASs). During the financial year 2022/2023, MoFPED commenced the implementation of the change to full accrual accounting. The Asset Accounting Policy and Guidelines were issued and disseminated to guide Accounting Officers in accounting for public assets using the accrual basis. Financial reporting templates were updated to incorporate the accrual accounting aspects that were adopted. The revised templates have been used by votes in the preparation of these financial statements. Government is committed to implementing full accrual accounting over the long-term to support the preparation of accurate and comprehensive financial reports that will facilitate decision-making and demonstrate transparency and accountability in the use of public resources.

Conclusion

Uganda's economy is on a firm path to full recovery from the adverse effects of the COVID-19 pandemic. In the financial year 2023/2024, Government will focus on limiting inflationary pressures arising from an array of shocks, completing key public investments with higher multiplier effects on the attainment of NDP III targets, enhancing revenue mobilization and collections, full-scale operationalization of the PDM and enhancing government efficiency and effectiveness through rationalization of public expenditure. To achieve these objectives, significant resources have been allocated to boosting household incomes and micro enterprises, commercialization of agriculture, private sector growth, investing in human resources, expediting the implementation of strategic interventions in innovation, and supporting the minerals, oil, and gas sectors. The Ministry of Finance, Planning, and Economic Development is firmly committed to ensuring the successful implementation of the identified strategic priorities of Government in the FY 2023/2024.

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Ramathan Ggoobi

PERMANENT SECRETARY/SECRETARY TO THE TREASURY

Statement from the Accountant General

Introduction

These Consolidated Financial Statements (CFS) provide a record of the Government's financial performance, consolidated cash flows, and consolidated financial position for the financial year ended June 30th 2023. They detail the Government's financial resources and their application in line with the financial year 2022/2023 appropriation for the benefit of the people of the Republic of Uganda.

Scope

These CFS present the transactions of Government that include; Ministries, Departments, Agencies, Referral Hospitals, Public Universities and Self Accounting Tertiary Institutions (PUSATIs), Missions abroad and Local Government Votes.

For the first time, Local Government votes (District Local Governments, Municipal Councils and Cities) have been consolidated in these financial statements on a line-by-line basis, a departure from the previous consolidations where the total amount to local governments was expensed as a block figure. This is as a result of harmonization of the basis of accounting for both central and local government votes in addition to the introduction of the Treasury Single Account to manage the payments of both CG and LG entities. This consolidation of local governments has been adopted in accordance with Section 52(3) of the Public Finance Management Act 2015.

Submission of Financial Statements.

All central and Local government entities (votes) were required to submit their respective financial statements for consolidation in accordance with Section 51 of the PFMA. However, 17 votes including four (4) Municipal Councils and 13 District Local Governments failed to submit financial statements in time and have not been consolidated on a line-by-line basis. The releases to these entities have been included under grants and other transfers. The Municipal Councils include Entebbe, Kumi, Ntungamo and Tororo. The DLGs that failed to submit include; - Bududa, Bugiri, Bukedea, Kalaki, Kikuube, Kiryandongo, Koboko, Kyotera, Madi-Okollo, Nabilatuk, Ntungamo, Obongi and Zombo. Further support is being extended to ensure that these entities submit their financial statements for audit.

Consolidation Process

The Consolidated Financial Statements have been prepared in accordance with the modified accrual basis of accounting as further detailed in the accounting policies on pages 35-44. Under the modified accrual basis of accounting, revenue is recognised when earned with the exception of revenue from non-exchange transactions which is recognised when received. Expenditures are recognised when incurred as stated in the accounting policies to these financial statements. This being the first time to consolidate both CG and LG votes, comparative information has been adjusted retrospectively. Additional information has been disclosed and annexed to the financial statements where appropriate in compliance with the PFMA 2015 to improve the usefulness of the financial statements to the various stakeholders.

Changes to the Consolidated Financial Statements during the Year

As earlier highlighted and further detailed in the accounting policies, the government rolled out the Single Treasury Account for use by all CG and LG Government votes in addition to the harmonization of the basis of accounting. Further enhancements were made in asset management as a result of the IFMS upgrade leading to changes in the financial reporting framework and templates. Below are the notable changes;-

(i) One set of Consolidated Financial Statements to replace the two sets previously prepared for Central and Local Government Votes.
(ii) Financial reporting templates were updated and issued to Accounting Officers
(iii) Revenues have been categorized into those from exchange and non-exchange transactions
(iv) Comparative information has been merged and updated retrospectively.
(v) All tangible assets procured during the financial year 2022/2023 have been depreciated using the straight-line method and the respective net book values recognised in the statement of financial position.
(vi) Historical asset information was only recognized for the five pilot entities (Ministry of Defense and Veteran Affairs, Uganda Police Force, External Security Organisation, Internal Security Organisation and Lwengo DLG). The rest of the entities recognised only the tangible assets acquired during the year. Historical asset information for the remaining entities will be included in the CFS in the coming financial years after completion of the ongoing validation exercise.

Overview of operating results

The summary of Government's financial performance and position for the year ended 30 June 2023 is presented below with respect to Revenues, Expenditures, Assets and liabilities.

Revenue Performance

Revenue is comprised of receipts from taxes, non-tax revenue and grants in form of external assistance. The bulk of the revenues are collected by Uganda Revenue Authority (URA) in form of Taxes, Levies and Duties. Effective this financial year, revenue has been categorized into revenue from exchange transactions and that from non-exchange transactions.

During the financial ended, total revenue collections increased by 10% from UGX 24,315 billion collected in the previous financial year to the UGX 26,664 billion.

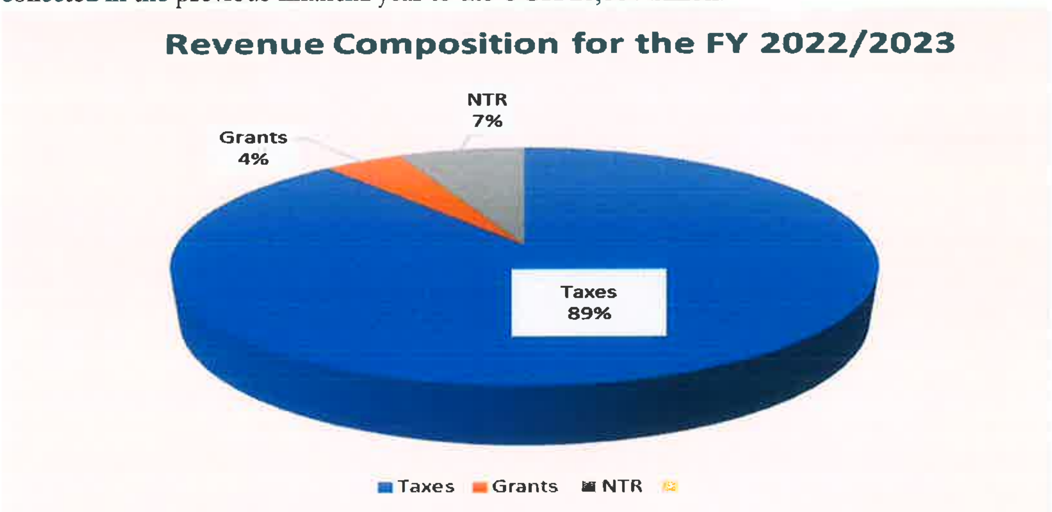

Figure 1: Revenue Composition for the FY2022/2023

Majority of the revenue collected was from taxes (89%) which is largely collected by URA (99%) with the rest collected by KCCA and local government votes. Net revenue collections by URA including petroleum revenue was UGX 25,209 billion against the target of UGX 25,152 billion registering a surplus of 57.48 billion. The revenue performance is in line with the stable and resilient economic performance during the financial year 2022/2023.

Expenditure

Total Operating expenditures (total expenditures excluding depreciation and foreign exchanges losses/gains) amounted to UGX 28,767 billion, a 5% increase from the UGX 27,345 billion for the previous financial year 2021/2022. The bulk of the expenditures consists of compensation to employees (28%), Goods and services consumed (23%), finance costs (21%), Grants and other transfers (23%), social benefits (3%), subsidies and other expenses as illustrated in figure 2 below.

Expenses	FY 2022/2023 UGX (Billion)	FY 2021/2022 UGX (Billion)
Compensation of Employees	7,996	6,920
Goods and services consumed	6,618	5,778
Subsidies	2	-
Grants and other transfers	6,463	7,417
Social benefits	861	481
Other expenses	677	1,273
Finance Costs	6,150	5,477
Total	**28,767**	**27,345**

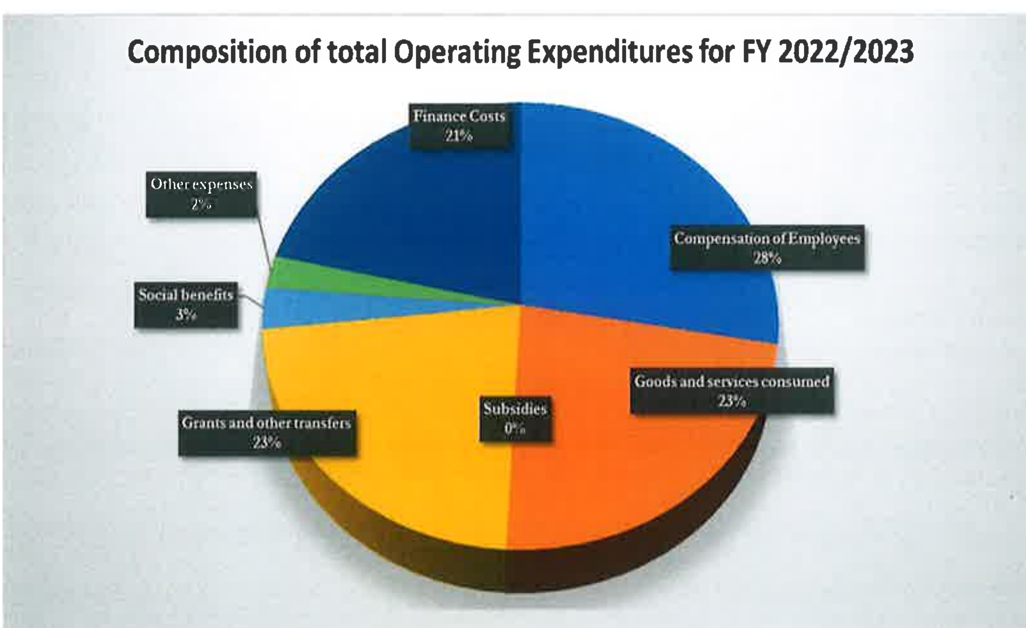

Figure 2: Composition of total operating expenditure

Due to the changes in the accounting policy, depreciation expense (allocation of the cost of assets over their useful lives) has been recognised in the statement of financial performance with the corresponding accumulated depreciation recognised in the statement of financial position as part of the Net Book value of assets.

During the FY, the surplus/deficit reduced from UGX 9,483 billion [FY 2021/2022] to UGX 1,256 billion. This was due to a shift in the accounting policy for asset recognition. The current policy allows for the allocation of the cost of assets over their useful lives as opposed to the writing off of the full cost of the assets in the year of acquisition as was done in the previous FY.

Assets

The current government accounting policy is that purchased property, plant and equipment with the exception of the non-produced assets are depreciated using the straight-line method and their respective Net Book Values recognised in the Statement of Financial Position. The other Government assets recognised in the statement of financial position comprise cash and cash equivalents, receivables, and investments.

During the financial year ended 30th June 2023, a pilot of the new fixed assets register was conducted in five (5) entities, which included the Ministry of Defence, Uganda Police, External Security Organisation, Internal Security Organisation, and Lwengo District. All fixed assets of these entities were successfully uploaded into the IFMS system. The plan is to progressively extend the use of this updated fixed assets register to all government entities during the 2023/2024 financial year. This will further improve the disclosure, completeness and comparability of assets reporting.

The cash and cash equivalents increased during the year from UGX 1,460 billion reported in the FY 2021/2022 to UGX 3,271 billion as at 30th June 2023. This was due to a number of factors including the adoption of the enhanced Treasury Single Account that consolidated all expenditure accounts on to one account, and a shift in accounting policy that allowed for the consolidation of both GoU and externally financed project transactions including their cash balances.

Liabilities

Public Debt

Public debt is constituted by borrowings, payables and unpaid pension and gratuity. Total Public debt increased by 11% from the UGX 86,840 billion in FY 2021/2022 to UGX 96,168 billion for the FY 2022/2023. The increase was mainly attributed to the increase in both domestic and external borrowings to finance the budget as well increase in domestic arrears.

Domestic arrears.

These relate to contractual obligations due but not paid by the end of the reporting period. Domestic arrears including pensions and gratuity during the year increased by 23% from to UGX 9,909 billion from UGX 8,050 billion. 50% of all the payables relate to unpaid reimbursements to Bank of Uganda for redemption of domestic securities. The table and graph below show the categorization and composition of the arrears for the financial year ended 30th June 2023;

	Rent and Utilities UGX	Contributions to International Organisations UGX	Court awards and Compnsations UGX	Other Payables UGX	Pensions and Gratuity UGX	Total UGX
Ministries	3,736,789,602	90,412,250,220	607,454,850,138	1,477,149,177,145	266,289,092,735	2,445,042,159,840
Agencies	90,005,248,819	1,936,581,848	1,121,612,582,258	6,129,289,666,860	23,743,335,070	7,366,587,414,855
Referral Hospital	14,628,683,266	-	-	8,079,362,760	1,333,828,765	24,041,874,791
Missions Abroad	-	-	-	7,778,758,010	-	7,778,758,010
Local Governments	616,994,946	-	973,121,552	44,708,446,191	19,293,963,285	65,592,525,974
Total	**108,987,716,633**	**92,348,832,068**	**1,730,040,553,948**	**7,667,005,410,966**	**310,660,219,855**	**9,909,042,733,470**

Table 1: Summary of Domestic arrears as at 30th June 2023.

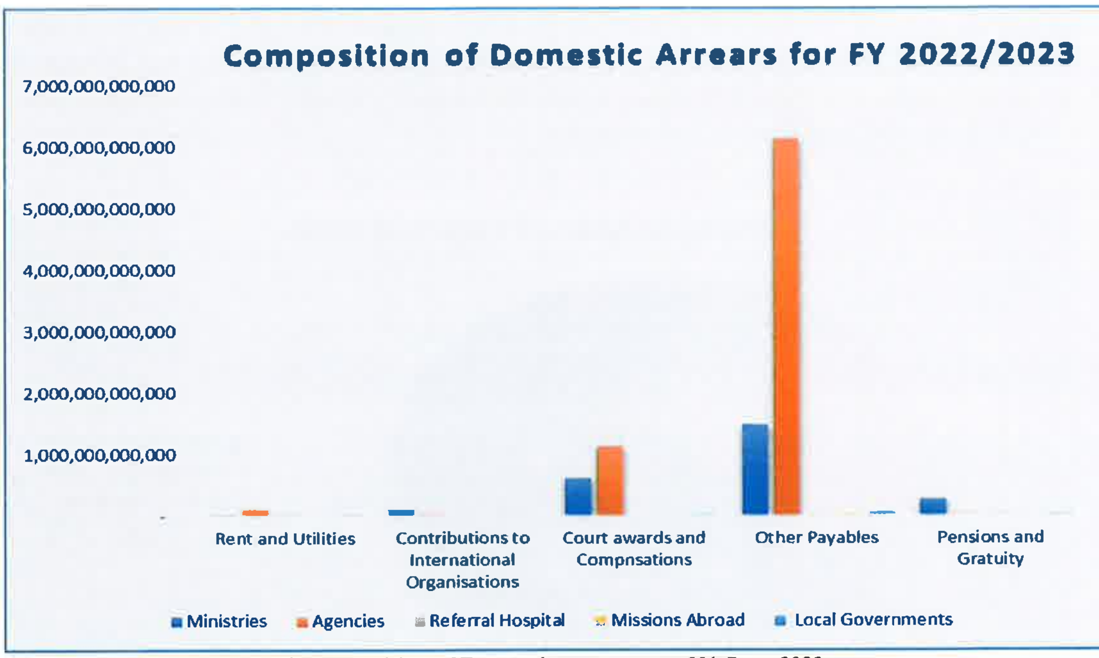

Figure 3: Categorisation and Composition of Domestic arrears as at 30th June 2023.

Borrowings

Borrowings constitute 89% of the total liabilities and it comprises of interest-bearing debt that is domestic securities (treasury bills and bonds) and external loans from multilateral and bi-lateral creditors.

Analysis of the movement in Borrowings (Interest bearing Debt) over the past 4 years shows an increasing trend in both domestic and external debt as illustrated in table below;-

Domestic debt

During the financial, total issuances from treasury bills and bonds (including the premium) at cost were UGX 10,285 billion compared to UGX 12,890 billion for FY 2021/2022. This fully covered the redemptions of UGX 6,440 billion. Bond switches were conducted during the period contributing UGX 849 billion and UGX 762 billion to issuances and redemptions respectively. The balance of UGX 3,930 billion contributed to financing the fiscal deficit as approved by Parliament. The domestic debt stock increased by 13% from UGX 29,433 billion as at 30th June 2022 to UGX 33,168 billion as at 30th June 2023.

It should be noted that the increase in domestic debt stock as at 30th June 2023 was largely constituted of long term dated instruments as guided by the debt strategy. Treasury Bonds increased by 14% from UGX 24,816billion, while the stock of T-Bills decreased by 6.9% from UGX 4,610 billion. Hence overall, the share of T-Bills decreased to 14.9% from 16%, indicating that the strategy to extend the yield curve is still being implemented in addition to the decline in yields.

External Debt

External debt disbursed and outstanding stock as of 30th June 2022 was UGX 52,472 billion reflecting an increase of UGX 4,008 billion from 30th June 2022 position of UGX 48,463 billion. 62% of the external debt was due to multilaterals, 24% to bilateral and 14% was due to Commercial Banks. Multilateral debt was dominated by IDA and ADF while bilateral debt was dominated by China and UKEF. Commercial Banks are mainly constituted by Trade Development Bank formerly PTA Bank and Standard Bank of South Africa.

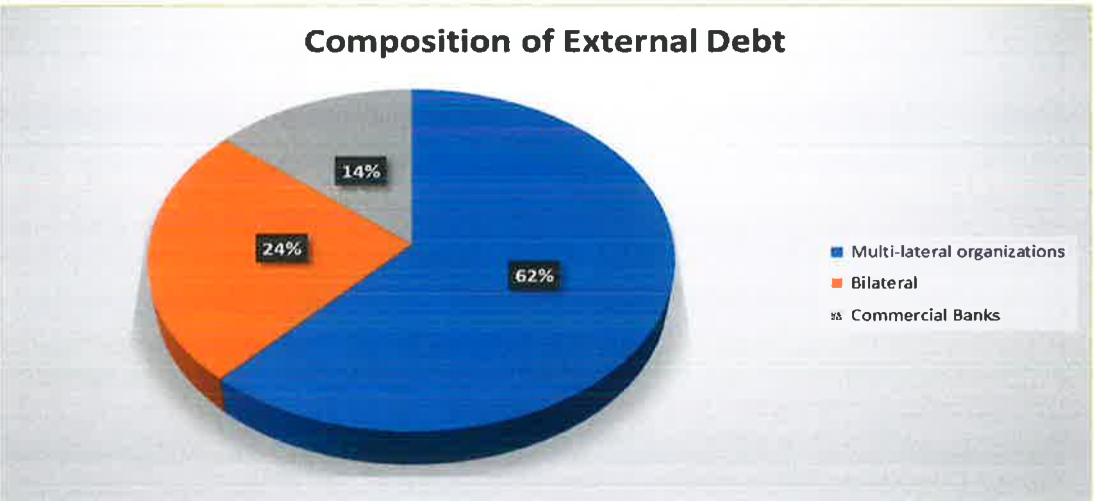

Figure 4: Composition of External Debt for the FY 2022/2023

As at 30th June 2023, the committed but undisbursed debt was UGX 14,591 billion (compared to UGX 18,669 billion for FY 2021/2022) of which UGX 4,688 billion was bilateral, UGX 9,806 billion being multi-lateral and UGX 96 billion was from Commercial Banks. The total committed debt including both outstanding and undisbursed was UGX 67,062 billion.

	Disbursed 30th June 2023 UGX (Billion)	Un-disbursed 30th June 2023 UGX (Billion)	Total 30th June 2023 UGX (Billion)
Multi-lateral organizations	32,427	4,688	**37,115**
Bilateral	12,899	9,806	**22,705**
Commercial Banks	7,146	96	**7,242**
Total External borrowings	**52,472**	**14,590**	**67,062**

Table 2: Total Committed Debt [Disbursed and Undisbursed]

The Ministry is aware of the challenges caused by delayed disbursements and efforts are in place to ensure that disbursements are fast-tracked to minimize commitment fees. Government has also instituted measures to ensure that projects are implemented on time for effective impact on economic growth. A review of all projects was undertaken with a view to heighten supervision, renegotiate some and/or cancel those with zero disbursements for more than 2 years.

All principal and interest that fell due in the period was paid and government is committed to continue servicing all its external debt stock save for a few creditors who are yet to abide by the Paris Club HIPC conditions.

Deposits received

This is mainly funds held by government entities on behalf of other stakeholders or pending execution of activities in case of unearned revenue. A total of UGX 534 billion in deposits was received as at 30th June 2023. These included funds from court bail deposits, security bond and misappropriated funds refunded into special accounts at Bank of Uganda. Others include deferred income especially for education related entities for unearned revenues received before services are offered and 60% of the East African Tourist Visa fees received by missions belonging to other partner states as per the memorandum of understanding between Governments of Uganda, Rwanda and Kenya.

Contingent Liabilities

Contingent liabilities at the end of the financial year comprise of outstanding amounts guaranteed by the Government in respect of loans, public loan issues, and probable obligations resulting from government commitments or outstanding litigation against Government. These amounted to UGX 4,905 billion as at 30th June 2023. Over 79% [UGX 3,862billion] of the Contingent liabilities disclosed in these financial statements arise from legal proceedings against Government.

Recoverable Costs from Petroleum Exploration

The Government entered into Production Sharing Agreements (PSAs) with various Oil and Gas companies (Licensees) for the exploration of Petroleum in the Albertine Graben. Under the signed agreements, recoverable costs incurred by the Licensees and verified by the Office of the Auditor General will be recovered at source by Licensees once production commences before remittance of the Government dues. With first oil approaching soon, recoverable costs so far verified by the Office of the Auditor General from 2001 to 2019 amount to USD 2,765,266,793.

The Consolidated Statement of Changes in Equity combines the following;

a) Petroleum Fund

The Petroleum Fund is established by Section 56 of the Public Finance Management Act (PFMA), 2015. The Fund serves as a depository for all revenues accruing to government from petroleum and related activities. Disbursements from the Fund are through appropriation either to the Consolidated Fund, the Petroleum Revenue Investment Reserve or for approved investments of the Uganda National Oil Company. During the financial year, the fund received revenue amounting to UGX 125.97billion increasing the fund balance from UGX 121.2 billion reported the previous financial year to UGX 246.7billion as at 30th June 2023. No withdrawals were made from the fund during the year.

b) Contingencies Fund

The Contingencies Fund was established in accordance with Section 26 of the PFMA 2015 to respond to natural disasters for which no funds are provided through appropriation to votes. The Fund is supposed to be replenished annually by an amount equivalent to 0.5% of the appropriated annual budget of the preceding financial year of Government.

During the financial year, an appropriation of UGX 62.07billion was made towards the activities of the Fund. Subsequently, UGX 50.6billion was disbursed from the Fund to the Office of the Prime Minister to cater for the drought hit areas in the Karamoja region in addition to the resettlement of people at a risk of landslides in the Elgon and Rwenzori sub regions.

The balance of UGX 11.52 billion was swept back to the Consolidated Fund account at the closure of the financial year. Detailed financial statements of the Contingencies Fund are prepared and presented separately

For effective interpretation, the financial statements should be read in conjunction with the underlying notes and schedules.

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Lawrence Semakula
ACCOUNTANT GENERAL

Consolidated Statement of Financial Performance

[Based on classification of expenditures by nature]

	Notes	30 June 2023 Shs.	30 June 2022 Shs.
Revenue			
Revenue from Non-exchange transactions			
Taxes	2	23,673,453,297,493	20,402,031,835,169
External Assistance	3	1,127,746,392,236	1,408,098,495,326
Non – Tax revenue from non-exchange transactions	4 (a)	1,433,628,244,174	1,697,345,526,870
HIPC Relief	5	-	-
Total Revenue from Exchange transactions		**26,234,827,933,903**	**23,507,475,857,365**
Non – Tax revenue from exchange transactions	4(b)	429,476,845,009	807,488,595,914
Total Revenue		**26,664,304,778,912**	**24,314,964,453,279**
Expenses			
Compensation of Employees	6	7,995,793,100,390	6,919,528,076,957
Goods and services consumed	7	6,618,014,662,921	5,777,508,042,766
Depreciation/ amortisation expense	8	225,736,319,914	7,135,674,970,090
Impairment of property, plant, and equipment	9	-	-
Subsidies	10	2,400,000,000	-
Grants and other transfers	11	6,463,164,249,756	7,416,795,057,680
Social benefits	12	860,957,833,933	481,344,450,533
Other expenses	13	676,625,387,398	1,273,064,912,908
Total operating expenses		**22,842,691,554,312**	**29,003,915,510,934**
Surplus/(deficit) from operating activities		**3,821,613,224,600**	**(4,688,951,057,655)**
Foreign exchange loss (Gain)	14	(1,072,232,269,258)	(683,321,375,229)
Finance Costs	15	6,149,710,526,614	5,477,175,392,437
Bad debts	16	-	-
Excess of revenue over expenditure for the year		**(1,255,865,032,756)**	**(9,482,805,074,863)**

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

The Consolidated Statement of Financial Position

	Notes	30 June 2023 Shs.	30 June 2022 Shs.
ASSETS			
Current Assets			
Cash and Cash equivalents	18	3,270,457,594,953	1,459,648,908,859
Receivables	19(a)	10,057,644,721,130	9,996,408,828,673
Inventories	20	-	-
Total- Current Assets		**13,328,102,316,083**	**11,456,057,737,532**
Non-Current Assets			
Investments	21	20,490,206,732,655	20,466,152,600,951
Non-Produced Assets	22	6,785,133,859,686	4,882,935,388,717
Produced Assets	23(a)	7,250,589,769,782	-
Investment Property	23(b)	179,925,500	1,794,873,267
Intangible Assets	23(c)	19,462,606,916	-
Receivables	19(b)		-
Total Non-Current Assets		**34,545,572,894,539**	**25,350,882,862,935**
Total assets		**47,873,675,210,622**	**36,806,940,600,467**
LIABILITIES			
Current Liabilities			
Payables	24(a)		-
Deposits	25(a)		-
Short-term borrowings	26(a)		
Pensions	27(a)		-
Total Current Liabilities		**-**	**-**
Non-Current Liabilities			
Payables	24(b)	9,598,382,513,615	7,578,384,879,364
Deposits	25(b)	534,440,205,588	823,786,441,970
Long-term borrowings	26(b)	85,724,085,661,720	77,966,575,372,115
Pensions	27(b)	310,660,219,855	471,361,262,121
Total Non-Current Liabilities		**96,167,568,600,778**	**86,840,107,955,570**
Total Liabilities		**96,167,568,600,778**	**86,840,107,955,570**
Net Assets		**(48,293,893,390,156)**	**(50,033,167,355,103)**
REPRESENTED BY:		**(48,293,893,390,156)**	**(50,033,167,355,103)**

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

Consolidated Statement of Changes in Equity

	Consolidated Fund Shs.	Contingency Fund Shs.	Petroleum Fund Shs.	Total Funds Shs.
FY ended 30 June 2022				
At 1 July 2021	(42,988,978,061,919)	-	238,675,823,200	**(42,750,302,238,719)**
Surplus (Deficit) for the year: Statement of Financial Performance	(9,482,805,074,863)	-	-	**(9,482,805,074,863)**
Net adjustments to opening reserves	2,317,431,567,097	(1,030,403,549)	480,076,475	**2,316,881,240,023**
-Withdrawals from the Fund		(71,037,983,451)	(200,000,000,000)	**(271,037,983,451)**
-Replenishments to the Fund		72,068,387,000	82,028,314,907	**154,096,701,907**
At 30 June 2022	(50,154,351,569,685)	-	121,184,214,582	**(50,033,167,355,103)**
FY ended 30 June 2023				
At 1 July 2022	(50,154,351,569,685)	-	121,184,214,582	**(50,033,167,355,103)**
Surplus (Deficit) for the year: Statement of Financial Performance	(1,255,865,032,756)	-	-	**(1,255,865,032,756)**
Net adjustments to opening reserves	2,869,667,997,858	-	1,900,315	**2,869,669,898,173**
-Withdrawals from the Fund		(62,111,733,086)	-	**(62,111,733,086)**
-Replenishments to the Fund		62,111,733,086	125,469,099,529	**187,580,832,615**
At 30 June 2023	**(48,540,548,604,583)**	-	**246,655,214,426**	**(48,293,893,390,156)**
Notes to the financial statements	28	29	30	

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

Consolidated Cash Flow Statement [Direct Method]

	30 June 2023 Shs.	30 June 2022 Shs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Total receipts from operating revenues were (see below):	**27,123,638,387,068**	**25,367,966,464,628**
PAYMENTS FOR OPERATING EXPENSES:		
Compensation of Employees	7,967,857,970,420	6,891,704,900,067
Goods and services consumed	6,111,821,915,180	5,085,625,267,592
Subsidies	2,400,000,000	-
Transfers to Other Organizations	6,366,768,263,643	7,391,258,364,935
Transfers to Other Funds	-	-
Social benefits	850,700,276,743	461,092,489,100
Other expenses	653,630,028,048	873,800,652,286
Outstanding Letters of Credit	174,369,660,723	257,606,244,421
Domestic arrears for goods & services paid in the year	4,532,055,978,909	3,341,879,799,201
Pension arrears paid during the year	239,077,729,257	95,828,691,202
Advances paid	399,738,464,117	686,001,934,022
Deposits paid	43,258,981,424	6,690,842,787
Foreign exchange (gain)/loss-Realized	(29,065,186,609)	(68,275,107,842)
Total payments for operating activities	**27,312,614,081,855**	**25,023,214,077,771**
Net cash outflows from operating activities	**(188,975,694,787)**	**344,752,386,857**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	6,096,836,896,241	6,595,718,682,056
Non-Produced Assets	247,778,299,497	407,217,583,601
On-lending to state enterprises	-	-
Investments in Private Companies	76,864,473,184	-
Net cash outflows from investing activities	**6,421,479,668,922**	**7,002,936,265,657**
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance Costs	3,916,921,715,719	4,606,959,856,974
Proceeds from issue of Government treasury bills and bonds	(10,121,575,932,362)	(12,236,508,789,186)
Re-purchase of Government treasury bills and bonds	3,744,127,139,634	5,554,204,316,385
Proceeds from external borrowings	(7,510,224,558,539)	(5,622,282,929,399)
Repayments of external borrowings	2,162,331,079,776	1,398,231,279,521
Promissory notes paid	-	323,980,077,181
Repayment of domestic loans	(55,363,208,649)	(129,838,415,906)
Proceeds from other domestic (on lent) loans	-	-
Net cash flows from financing activities	**(7,863,783,764,421)**	**(6,105,254,604,430)**
Net Increase in cash and cash equivalents	**1,253,328,400,712**	**(552,929,274,370)**

The notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

Cash Flow Statement for the year ended 30 June 2023 [Direct Method] (continued)

For cash flow purposes receipts from operating revenue comprise:

	30 June 2023 Shs.	30 June 2022 Shs.
Operating revenue		
Total Revenue as per Financial Performance	26,664,304,778,912	24,314,964,453,279
Add: Advances recovered during the year	363,772,072,218	762,534,540,253
: Deposits received	128,796,662,850	482,909,222,354
: Deferred revenue	147,536,938	-
Less: Accrued Revenue	(33,115,528,827)	(192,441,751,258)
: Deferred revenue earned	(267,135,023)	-
Total Operating Revenue	**27,123,638,387,068**	**25,367,966,464,628**
Less: Grants received as HIPC/MDRI in Kind	-	-
Revenue in Kind (Tax waivers)	-	-
Total cash receipts from operating activities	**27,123,638,387,068**	**25,367,966,464,628**

Reconciliation of movement of cash during the year

	30 June 2023 Shs.	30 June 2022 Shs.
At the beginning of the year	1,459,648,908,859	1,370,667,291,087
Net adjustments from Accounting Officers' Cash Flow Statements	432,011,185,853	770,347,971,001
Contingency Fund transfers	-	-
Replenishment of the Petroleum Fund	125,469,099,529	(128,437,078,859)
Net increase in cash from the Cash Flow Statement	1,253,328,400,712	(552,929,274,370)
At the end of the year	**3,270,457,594,953**	**1,459,648,908,859**

Net cash and bank balances comprise of;

	Notes	30 June 2023 Shs.	30 June 2022 Shs.
Cash and bank balances	18	3,270,457,594,953	1,459,648,908,859
Less Bank overdrafts	21(b)		
Net cash and bank balances		**3,270,457,594,953**	**1,459,648,908,859**

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Statement of Outstanding Public Debt

	Notes	30 June 2023 Shs.	30 June 2022 Shs.
DOMESTIC DEBT			
Payables including deposits	24 & 24	10,132,822,719,203	8,402,171,321,334
Pension Liabilities	27	310,660,219,855	471,361,262,121
Securities			
Treasury bills	26(a)i	4,928,034,299,424	4,609,873,615,445
Government Bonds	26(a)ii	28,240,287,510,545	24,815,595,278,902
Promissory Notes	26(a) iii	83,773,825,346	76,782,473,183
Total domestic debt		**43,695,578,574,373**	**38,375,783,950,985**
EXTERNAL DEBT			
Borrowings from multilaterals	26c	32,426,739,423,315	29,918,377,331,087
Borrowings from bi-laterals	26c	12,899,225,457,207	13,512,119,777,824
Borrowings from commercial banks	26c	7,146,025,145,883	5,032,840,060,659
Total external debt		**52,471,990,026,405**	**48,463,337,169,570**
TOTAL PUBLIC DEBT		**96,167,568,600,778**	**86,839,121,120,555**

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula	Ramathan Ggoobi
Accountant General	**Permanent Secretary/Secretary to the Treasury**

Statement of Outstanding Advances and Loans issued by Government

	Notes	30 June 2023 Shs.	30 June 2022 Shs.
ADVANCES			
Advances and prepayments	19	984,172,053,710	793,221,479,830
Letters of Credit	19	364,398,116,107	437,933,406,961
Total advances		**1,348,570,169,817**	**1,231,154,886,791**
Other Receivables		**1,240,552,877,259**	**1,314,771,537,662**
LOANS			
Loans to State Enterprises	19	7,705,207,398,294	7,687,168,128,460
Loans to agencies	19	26,929,101	26,929,101
Loans to private organizations	19	10,433,202,971	10,433,202,971
Other loans			
Total loans		**7,715,667,530,366**	**7,697,628,260,532**
Less Provision for write off		(247,145,856,312)	(247,145,856,312)
Total outstanding advances and loans	19	**10,057,644,721,130**	**9,996,408,828,673**

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula
Accountant General

Ramathan Ggoobi
Permanent Secretary/Secretary to the Treasury

Statement of Investments held by the Government

	Notes	30 June 2023 Shs.	30 June 2022 Shs.
Securities other than equity			
-Corporate bonds			
-Promissory notes			
-Debentures			
-Fixed deposits			
-Shares in Public corporations	21	18,285,343,209,950	18,207,840,171,362
-Other securities-IMF	21		1,818,540,889,713
Sub-total		**18,285,343,209,950**	**20,026,381,061,075**
Shares and other equity			
-Shares in public corporations			
-Shares in other entities	21	2,204,863,522,705	438,621,539,876
Sub-total		**2,204,863,522,705**	**438,621,539,876**
Financial derivatives			
Total investments		**20,490,206,732,655**	**20,465,002,600,951**
Analyzed between			
Domestic investments	21	18,285,343,209,950	18,207,840,171,362
Foreign investments	21	2,204,863,522,705	2,257,162,429,589
Total investments	21	**20,490,206,732,655**	**20,465,002,600,951**

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula	Ramathan Ggoobi
Accountant General	**Permanent Secretary/Secretary to the Treasury**

Consolidated Fund Statement

The Consolidated Fund is established by Article 152 of the Constitution of the Republic of Uganda. It is the depository of all revenues or other monies raised or received for the purpose of, or on behalf of, or in trust for the Government. Funds are withdrawn from the UCF to meet expenditure charged on the fund by the Constitution or an Act of Parliament, or where the issue of the monies is authorized by an Appropriation Act, a Supplementary Appropriation Act, or as provided by clause 4 of article 152 of the Constitution. The summary statement for the year is as follows;

	30 June 2023 Shs.	30 June 2022 Shs.
Opening Cash book balance	**28,492,129,610**	327,345,411
Unspent balances	40,734,885,517[1]	29,405,251,447
Adjusted Opening Cash book balance	**69,227,015,127**	**29,732,596,858**
Inflows		
URA collections (Tax & NTR)	23,653,889,179,989	21,053,268,808,899
Other Non-Tax Revenue to UCF	240,425,785,940	735,198,773,177
Transfers received from the Petroleum Fund	-	200,000,000,000
Transfers received from Vote 130		
Proceeds from domestic securities	10,284,880,478,652	12,888,302,419,766
Proceeds from Loans	4,969,746,713,748	1,709,622,587,926
Budget support proceeds	44,434,928,323	815,043,325,541
Dividends	10,656,796,625	7,580,020,558
Other Transfers received from TOP	315,385,860,260	8,572,441,688
Total Inflows	**39,588,646,758,665**	**37,447,320,974,413**
Outflows		
Transfers to Government Votes **(Excl. TOP)**	25,705,515,390,761	23,459,474,408,876
Transfers to Vote 130 - Treasury Operations;		
Domestic Securities	10,012,517,218,232	10,645,842,638,436
External payments	3,289,952,740,368	2,354,378,203,602
Court Awards	408,276,460,774	275,279,770,331
Contingency Fund	62,068,387,000	72,068,387,000
Other outflows	114,328,809,145	611,050,781,867
Exchange Losses/Gains	(4,290,739,185)	-
Reversals across FYs	53,895,923	734,654,691
Total Outflows	**39,588,422,163,018**	**37,418,828,844,803**
Closing Cash book balance	**224,595,647**	**28,492,129,610**

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Lawrence Semakula	Ramathan Ggoobi
Accountant General	**Permanent Secretary/Secretary to the Treasury**

[1] *Unspent balances of UGX 40.73 billion is constituted by UGX 1.67 billion from Missions abroad, 16.87 billion from LG votes, UGX 0.82 billion unutilized LC balances, UGX 9.85 balances on the foreign currency Accounts (USD, EURO & GBP) and UGX 11.52 billion as unutilized funds from the contingencies fund.*

Consolidated Summary Statement of Appropriation

Summary	Approved estimates Shs.	Actual released Shs.	**Actual expenditure Shs.**	Variance Shs.
Ministries	17,502,681,470,080	11,122,278,666,646	12,667,119,112,709	4,835,562,357,371
Agencies	28,041,815,467,533	22,879,331,386,356	27,210,075,005,401	831,740,462,132
Referral Hospitals	471,987,325,463	434,970,932,881	435,274,828,069	36,712,497,394
Embassies and Missions	245,265,772,668	235,631,118,706	222,441,993,213	22,823,779,455
Local Governments	6,286,008,388,144	5,660,252,011,830	5,754,003,619,694	532,004,768,450
Totals for 30 June 2023	**52,547,758,423,888**	**40,332,464,116,419**	**46,288,914,559,086**	**6,258,843,864,802**
Totals for 30 June 2022	44,703,795,734,554	38,121,196,719,022	38,114,102,998,710	6,589,692,735,844

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Consolidated Summary Statement of Contingent Liabilities

Summary	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	**Total Contingent Liabilities 2023 Shs.**	30 June 2022 Shs.
Ministries	3,485,058,996,097	-	992,484,124,802	4,477,543,120,899	**3,901,826,105,968**
Agencies	368,913,849,884	-	49,375,216,918	418,289,066,802	**2,025,152,831,193**
Referral Hospitals	-	-	-	-	-
Embassies and Missions	193,894,719	-	-	193,894,719	**48,651,316**
Local Governments	8,016,814,081	8,620,684	1,005,985,889	9,031,420,654	
Total [30th June 2023]	3,862,183,554,781	8,620,684	1,042,865,327,609	4,905,057,503,074	**5,927,027,588,477**
Total [30 June 2022]	**3,862,512,280,797**	**1,444,039,181,654**	**620,476,126,026**	**5,927,027,588,477**	

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statement

Consolidated Statement of Outstanding Commitments

[As submitted and signed by accounting Officers]

	Rent and Utilities	Contributions to Int Organisations	Court awards and Compensations	Other Payables	Pensions and Gratuity	Total
Ministries	3,736,789,602	90,412,250,220	607,454,850,138	1,477,149,177,145	266,289,092,735	**2,445,042,159,840**
Agencies	90,005,248,819	1,936,581,848	1,121,612,582,258	6,129,289,666,860	23,743,335,070	**7,366,587,414,855**
Referral Hospitals	14,628,683,266	-	-	8,079,362,760	1,333,828,765	**24,041,874,791**
Missions Abroad	-	-	-	7,778,758,010	-	**7,778,758,010**
Local Governments	616,994,946	-	973,121,552	44,708,446,191	19,293,963,285	**65,592,525,974**
Total 30 June 2023	**108,987,716,633**	**92,348,832,068**	**1,730,040,553,948**	**7,667,005,410,966**	**310,660,219,855**	**9,909,042,733,470**
Total 30 June 2022	67,590,800,962	3,208,850,961,615	2,139,423,280,259	2,129,076,152,831	442,984,891,574	7,987,926,087,241

Included in other payables is UGX 4,879 billion [50% of the total outstanding commitments] payable or reimbursable to the Bank of Uganda for redemption of domestic securities.

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Summary Statement of losses of public moneys and stores written off, and claims abandoned

For all ministries, agencies, Referral hospitals and Embassies/Missions

Summary	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off Shs.**	Total losses at 30 June 2023 Shs.
Ministries	-	-	-	-	-
Agencies	-	-	-	-	-
Referral Hospitals	-	-	-	-	-
					-
Embassies and Missions	-	-	-	-	-
Local Governments					
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Summary Statement of losses of public moneys and stores reported
[As submitted and signed by Accounting Officers]

Summary	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Total losses reported as at 30 June 2023 Shs.	Total losses at 30 June 2022 Shs.
Ministries	1,805,262,242	3,050,150,954	4,855,413,196	4,855,413,196
Agencies	481,136,140	20,219,999,810	20,701,135,950	24,199,352,128
Referral Hospitals	4,570,000	300,000,000	304,570,000	327,546,200
Embassies and Missions	82,336,745	48,486,806	130,823,551	534,823,150
Local Governments	64,604,450	50,694,000	115,298,450	529,398,178
At 30 June 2023	**2,437,909,577**	**23,669,331,570**	**26,107,241,147**	30,446,532,852
At 30 June 2022	8,216,798,404	22,229,734,448	30,446,532,852	

The Notes and schedules set out on pages 40 to 95 form an integral part of the financial statements.

Consolidated Statement of Arrears of Revenues
[As submitted and signed by Accounting Officers]

	Arrears of Revenue b/f (A) 1 July 2021 Shs.	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs.	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-23 (F) (A-B+E) Shs.
Ministries	179,877,664,238	1,056,285,000	275,721,015,026	271,675,637,722	4,045,377,304	182,866,756,542
Agencies	441,284,791,649	114,129,945,846	1,391,224,876,662	1,279,637,909,201	111,586,967,461	438,741,813,264
Referral Hospitals	698,958,269	179,715,344	20,018,952,794	19,793,656,294	225,296,500	744,539,425
Embassies and Missions	7,973,602,413	456,808,052	9,420,553,365	8,549,013,937	871,539,428	8,388,333,789
Local Governments	40,067,466,650	3,683,105,131	146,951,098,644	143,344,345,441	3,606,753,203	39,991,114,722
As at 30 June 2023	**669,902,483,219**	**119,505,859,373**	**1,843,336,496,491**	**1,723,000,562,595**	**120,335,933,896**	**670,732,557,742**
As at 30 June 2022	**318,690,692,510**	**78,754,139,419**	**2,145,345,974,454**	**1,953,328,673,467**	**192,017,290,987**	**431,109,244,078**

The Notes and schedules set out on pages 40 to 95 form an integral part of the financial statements.

Statement of stores and other assets (physical assets) purchased

As submitted and signed by Accounting Officers]

For all ministries, agencies, Referral hospitals and Embassies/Missions

	Non-Produced Assets	Buildings & Structures	Transport Equipment's	ICT Equipment	Other Machinery and Equipment	Total
Ministries	1,487,097,297,994	954,702,172,652	118,707,676,305	10,584,387,864	1,996,618,301,505	4,567,710,336,320
Agencies	5,110,190,481,355	2,428,080,883,570	179,366,221,318	36,337,308,778	259,855,544,145	8,013,830,439,166
Referral Hospitals	1,000,000,000	23,145,367,795	598,156,203	651,729,741	9,497,209,689	34,892,463,428
Missions Abroad	11,671,755,048	25,572,322,396	1,294,878,734	603,613,045	720,170,762	39,862,739,985
Local Governments	175,174,325,289	1,166,973,283,942	18,325,403,133	132,373,604	30,443,077,155	1,391,048,463,123
Total 30 June 2023	**6,785,133,859,686**	**4,598,474,030,355**	**318,292,335,693**	**48,309,913,032**	**2,297,134,303,256**	**14,047,344,442,022**
Total 30 June 2022						

The Notes and schedules set out on pages 40 to 94 form an integral part of the financial statements.

Notes to the Financial Statements

1.0 General Information

The consolidated financial statements of the Government of Republic of Uganda have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 as amended. The entities consolidated include Central Government [Ministries, Agencies, Public Universities and Self Accounting Tertiary Institutions, Referral Hospitals and Missions/ Embassies abroad], and Local Government entities [District Local Governments, Municipal Councils and Cities].

1.1 Accounting policies

These are the specific principles, bases, conventions, rules and practices adopted by the Government of the Republic of Uganda in preparing and presenting the financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

a) Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Public Finance Management Act, 2015 and comply with generally accepted accounting principles taking into consideration the Government of Uganda legal and regulatory framework regarding public finances. The Financial Statements have been prepared using the modified accrual basis. The modified accrual basis of accounting recognizes revenue when earned with the exception of revenue from taxes, grants and NTR from non- exchange transactions that is recognised when received. Expenses are recognised when incurred with the exception of pension for active staff in the civil service that is recognised when it is due for payment.

The measurement basis applied is the historical cost basis, except where otherwise stated.

b) Consolidation

(i) Ministries, Agencies and Local Governments (MALGs)

MALGs are Government entities over which the Treasury has the power to govern their financial and operating policies in accordance with the legal and regulatory framework provided by PFMA, 2015. MALGs are fully controlled by Government and are consolidated on a line-by-line basis. Intra-Government transactions, balances and unrealised gains on transactions between Government entities are eliminated on consolidation. Accounting policies of all Government entities have been changed where necessary to ensure consistency with the PFM reforms adopted over time.

(ii) Government Business Entities (GBEs)

These include both trading and statutory enterprises which are either fully Government owned or partially owned by Government. These entities operate commercially and are not reliant on continuing Government funding to be a going concern. GBEs are included in these consolidated Financial Statements to the extent of their Net worth.

Notes to the Financial Statements for the year ended 30 June 2023

(iii) Projects expenditure

Government projects are a series of undertakings by an accounting entity with specific objectives and a defined time frame and could be either:

1) fully funded by a Government
2) jointly funded by Government and a development partner
3) fully funded by a development partner through either budget support or project support

All project expenditure is recognized in the financial statements of the parent accounting entity (MALG) and ultimately in the CFS on a line by line basis. Off IFMS project expenditures are not recognised but disclosed in the financial statements of the parent entities.

(c) Reporting currency and translation of foreign currencies

(i) Functional and presentation currency

The functional and reporting currency is the Uganda Shilling (UGX), which is the legal tender of the Republic of Uganda. Items included in the financial statements are measured in the currency of the primary economic environment in which the entity operates.

(ii) Translation of transactions in foreign currency

Foreign currency transactions are translated into Uganda shillings using the exchange rates prevailing at the dates of the transactions. Foreign missions and entities that predominantly transact in foreign currencies translate transactions at spot rates. Foreign currency assets and liabilities held by entities at year-end are translated into Uganda Shillings using the period closing rate for reporting purposes resulting into unrealized gains/losses.

(iii) **Consolidation of Government entities**

The results and financial position of all the Government entities that transact mainly in foreign currencies are translated into the presentation currency as follows;

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each profit and loss account are translated at ruling spot exchange rates on the transactions dates.

(d) Reporting Period

The reporting period for these financial statements is the financial year of the Government, which runs from 1 July 2022 to the 30 June 2023.

The Budget forecast is the original forecast as amended by subsequent supplementary budgets for the year as appropriated by Parliament.

(e) Revenue

Revenue represents amounts earned and or received by the entity during the financial year and comprises Taxes, Grants received and Non-Tax Revenue.

Notes to the Financial Statements for the year ended 30 June 2023

Subject to Article 152 of the Constitution of the Republic of Uganda, tax is levied with the authority of Parliament.

(i) Tax revenues

Taxes are levied with the authority of Parliament subject to Article 152 of the Constitution of the Republic of Uganda. All tax revenues are recognised when received.

(ii) External Assistance/Grants

Grants are received by the entity either as cash or in-kind from foreign governments (bilateral) or from international Organizations (multi-lateral). All grants are recognized as revenue when received. In-kind receipts (donations) are recognized at fair value when received.

(iii) Non-Tax Revenue

Non-Tax Revenue (NTR) refers to all revenue due to government that is not tax revenue.

NTR from exchange transactions whether directly collected by the entity or collected by another on its behalf is recognised when revenue is earned. NTR earned but not received is reported in the statement of Financial Position as receivables.

NTR from non-exchange transactions is recognized when received.

(iv) Deferred revenue

Monies received before services are provided or the goods are delivered will be recognized as a liability until the services are provided or on delivery of goods to the clients. Revenue will be recognized when the services/ goods are delivered

(f) Expenses

Expenses are recognized when incurred. Qualifying2 unsettled obligations are recognised in the Statement of Financial position as payables. Pension expense is recognized when due. Pension obligations for staff in active service are neither recognised nor disclosed in the financial statements

(g) Produced Assets : Property, Plant and Equipment (physical assets or fixed assets)

Definition and Recognition

Property, Plant, and Equipment (PPE) are tangible items that are held for use in the production or supply of goods or services, or for administrative purposes; and are expected to be used during more than one reporting period.

The cost of an item of PPE will be recognized as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the entity; and the cost or fair value of the item can be measured reliably. Acquisitions of PPE are recorded in the asset register on receipt of the item at historical cost at the point when the related invoice is approved or recognized at fair value in the absence of the former. Historical cost includes expenditure directly attributable to the acquisition of the Asset. The day to day servicing of PPE will be recognized in the statement of performance as repairs and maintenance expense and not included in the carrying amount of the asset. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration, the asset is initially measured at its fair value.

On the other hand, costs that improve the useful life of an asset [improvement / major overhaul costs] will be recognized and consolidated with the cost of the main item.

[2] ***All payables should be verified by the Internal Audit and a certificate issued signed by the Accounting Officer, Head of Internal Audit and Head of Accounts/Finance.***

Notes to the Financial Statements for the year ended 30 June 2023

Subsequent to initial recognition, an item of PPE is measured at either cost less any accumulated depreciation or at a revalued amount, being its fair value at the date of the revaluation, less any subsequent accumulated depreciation, and subsequent accumulated impairment losses.

The cost of a self-constructed asset is determined using the same principles as for an acquired asset. All direct and indirect production costs are capitalised. Overheads are not included in the cost of a self-constructed asset unless they are incremental (directly attributed to the asset). Borrowing costs for assets that take long to complete shall be capitalized and included in the cost of the asset.

Depreciation and Impairment

Depreciation of PPE is calculated on the depreciable amount using the straight-line method. Non-produced assets shall not be depreciated (i.e a zero-depreciation rate shall be used). The various asset classes, descriptions together with their respective useful lives and depreciation method are provided in Annex (i).

The assets' useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

The entities assess at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount

Revaluation Gains/Losses

Revaluations will be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Increases in the carrying amount of the asset resulting from revaluation will be recognized (credited) to the revaluation reserve in the statement of Changes in Equity and/ or recognized in the statement of financial performance to the extent that it reverses a revaluation decrease of the same class of assets previously recognized in the statement of financial performance.

Decreases in the carrying amount of assets arising out revaluation will be recognized through the Statement of Financial Performance and/ or debited to the revaluation surplus to the extent of any credit balance existing in the revaluation surplus (as a result of a revaluation surplus previously recognized) in respect of that class of assets.

Disposal

Items of PPE are derecognized when the asset is disposed of, or when there are no further economic benefits or service potential expected from their usage. The gain/loss arising from the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying value and is recognised the Statement of Financial Performance. Proceeds from disposal of property, plant and equipment are recognized as non-tax revenue in the period when it is due.

(i) Investment properties

Investment property shall comprise land or buildings (or parts of buildings) or both held by government entities, as the owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both. Recognition criteria for investment properties are similar to those for property, plant and equipment.

Investment property are recorded in the assets register in the same manner as other assets, but the assets register should be able to distinguish them and identify them as such. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Notes to the Financial Statements for the year ended 30 June 2023

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment properties are measured using the cost model and are not depreciated.

Investment properties are derecognized either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit or service potential is expected from its disposal. The difference between the disposal proceeds and the carrying amount of the asset is recognized in the surplus or deficit in the period of derecognition. Transfers are made to or from investment property only when there is a change in use.

The following disclosures are to be made:

(a) A reconciliation – relating to that investment property separately – of the carrying amount at the beginning and end of the period
(b) A description of the investment property
(c) Whether fair value or cost model is applied.
(d) An explanation of why fair value cannot be determined reliably
(e) If possible, the range of estimates within which fair value is highly likely to lie
(f) On disposal of investment property not carried at fair value

(ii) Assets and liabilities under Service Concession Arrangements

Assets under Service Concession arrangement where the Government is established as the 'grantor' are recognised as asset provided by the operator and an upgrade to an existing asset(s) of the grantor as a service concession asset if:

- The grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price; and
- The grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the asset at the end of the term of the arrangement.
- The assets used in a service concession arrangement for their entire useful life (a "whole-of-life" asset).

Service Concession Arrangement assets

The Government has classified certain assets as Service Concession Assets and these will be recognized prospectively and recorded in the reporting period when identified.

Service concession assets are measured initially at fair value. In particular, fair value is used to determine the cost of a constructed or developed service concession asset or the cost of any upgrades to existing assets, on initial recognition. After initial recognition or reclassification, service concession assets are accounted for as a separate class of assets as Property, plant & equipment or intangible asset as appropriate.

On reclassification the original service concession asset is measured at its fair value and any difference between its fair value and its book value is recognised in the Statement of Financial Performance. If the terms of the arrangement require the Government to compensate the operator for the concession asset by making payments (either through a financial liability model or Grant of a Right to the Operator Model) and the payments are separable between the asset and service portions of the payment then the fair value of the original service concession asset is the sum total of the asset portion of the payments.

Notes to the Financial Statements for the year ended 30 June 2023

Service Concession Arrangement liabilities

When the Government recognises a Service Concession Arrangement asset it, also recognises a liability of an equal amount. The liability is split between a financial liability and a performance obligation. The financial liability arises from the payments due from the government under the terms of the Service Concession Arrangement and the performance obligation from the rights granted to the operator under the terms of the Service Concession Arrangement to earn revenues from the Service Concession Assets(s) or associated asset(s).

(iii) Biological assets

Biological assets are those assets of a biological nature like animals and plants which are used for agricultural activities by the Government entities. This excludes those used for research, education, transportation, entertainment, recreation, customs control or in any other activities that are not agricultural activities.

The entity recognises a biological asset or agricultural produce when and only when:

- The entity controls the asset as a result of past events;
- It is probable that future economic benefits or service potential associated with the asset will flow to the Government; and
- The fair value or cost of the asset can be measured reliably

(iv) Heritage Assets

Heritage assets refer to assets of a historical, environment or cultural nature[3]. Heritage assets shall be recognized if their cost/value can be measured reliably and the treatment for PPE shall apply. Heritage assets shall not be depreciated

(v) Intangible assets

An intangible item should be recognised as an intangible asset if, and only if, all of the following criteria are met:

- It is identifiable, i.e. either it is separable (i.e. it can be sold, transferred, rented, licensed or exchanged) or it arises from legal contractual or rights;
- The entity has control over it, i.e. it has the power to obtain the future economic benefits or service potential flowing from the underlying asset and to restrict access of others to such benefits or service potential;
- It is probable that future economic benefits or service potential will flow to the entity; and
- The cost of the asset can be measured reliably.

Intangible assets acquired separately are initially recognized at cost. The cost of a separately acquired intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, as well as any directly attributable cost of preparing the asset for its intended use. The cost of an internally generated intangible asset is the total of directly attributable costs incurred since the point when all criteria are met for capitalisation. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation

[3] IPSAS 17 Property, Plant and Equipment

and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. Research costs are to be expensed directly.

The useful life of the intangible assets is assessed as either finite or indefinite.

Intangible assets with a finite life are amortized over their useful life. Refer to the useful lives in the Annex (i).

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the surplus or deficit when the asset is derecognised.

Research and development costs

The Government expenses research costs as incurred. Development costs on an individual project are recognized as intangible assets when the entity/ vote can demonstrate:

- The technical feasibility of completing the asset so that the asset will be available for use or sale
- Its intention to complete and its ability to use or sell the asset
- How the asset will generate future economic benefits or service potential
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized over the period of expected future benefit.

(vi) Translation of transactions in foreign currency

Foreign currency transactions are translated into Uganda Shillings using the exchange rates prevailing at the dates of the transactions (spot rates). Any realized gains/losses are recognized in the Statement of Financial Performance. Foreign currency assets and liabilities held by the entity at period-end are translated into Uganda Shillings using the period closing rate provided by the central bank. Any unrealized gains/losses are recognized in the statement of changes in Equity through the revaluation reserve.

(vii) Cash and cash equivalents

Notes to the Financial Statements for the year ended 30 June 2023

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts.

(viii) **Unspent cash balances**

Any Unspent cash balances by Government entities at the end of the financial year are returned to the Consolidated Fund. Votes with unspent balances will debit the statement of performance for same year balances and or debit the statement of changes in equity for balances crossing financial years respectively.

(ix) Receivables

(a) Accrued Non-Tax Revenue and Advances

Receivables include revenue earned but not collected and advances not retired by the reporting date. These are carried at historical cost and are written down by recovered receipts or write–off of unrecoverable amounts (bad debts are written-off with the approval of Parliament, when identified in the Statement of Changes in Equity).

(b) Letters of credit

Procurement of goods and services through letters of credit which are cash covered are recognized in the statement of appropriation when the letter of credit is opened. Outstanding letters of credit at period-end are treated as receivables and expensed through the Statement of Financial Performance in the period when the goods and services are delivered.

(c) Other Receivables

These include payments made for the goods/ services but not delivered by the financial year end. Such will be recognised as receivable if the goods /services are not delivered within 60 days after closure of the financial year. However, if the services/ goods are delivered and verified before the audit is completed, these are not recognised as receivables but rather as expenses for the year under review. The latter is only applicable for the period of six months after the end of the financial year.

(x) Inventories

Comprise consumable supplies and goods purchased for resale. All inventories are expensed in the period in which they are acquired.

(xi) Investments

Investments are classified into three groups, namely: **investments held for trading; investments held-to-maturity; and investments available-for-sale.**

Investments that are acquired principally for the purposes of generating profit from short-term fluctuations in price are classified as "trading investments", and are, therefore, current assets and are treated as monetary assets.

Investments with fixed maturities and there is an intention and ability to hold them to maturity dates are classified as **"Investments held-to-maturity",** and are, therefore, non-current assets, and are treated as non- monetary assets.

Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as **"investments available-for-sale",** and are therefore non-current assets and regarded as non-monetary assets. However, if there is an expressed intention to sell these within 12 months, then these are treated as current assets and are monetary assets.

Notes to the Financial Statements for the year ended 30 June 2023

Appropriate classification of investments at the time of purchase and re-evaluation of such designation are carried out on a regular basis but any resulting reclassifications are rare and cannot be made from "trading investments" to "investments held to maturity"

All investments in the balance sheet are carried at historical cost. Non-financial assets are measured at net worth. For investments quoted in foreign currency, the historical cost is translated at the closing rate.

(xii) Projects expenditure

Government projects are a series of undertakings of a reporting entity with specific objectives and a defined time frame and could be either: (a) fully funded by a Government; (b) jointly funded by Government and a development partner; (c) fully funded by a development partner through either budget support or project support; and (d) fully funded by development partner through provision of physical items rather than funds.

All project transactions are included in the financial statements of the parent MALG on a line by line basis

(xiii) Borrowings

Borrowings are initially recorded in the Statement of Financial Position [the balance sheet] at cost net of any transaction costs paid.

Interest expense and any other expense on borrowings are recognized in the Statement of Financial Performance when they fall due.

(xiv) Employee benefits

Employee benefits include salaries, and other related-employment costs. Employee benefits are recognized when incurred. No provision is made for accrued leave or reimbursable duty allowances.

(xv) Prior year adjustments

Prior year adjustments are changes made to comparative amounts in the financial statements to correct errors or reflect changes in accounting policies or estimates that relate to prior periods.

(a) **Correction of Errors e.g** mathematical mistakes, mistakes in applying accounting policies, oversights, misinterpretation of facts or fraud: If the prior year adjustment relates to a correction of an error in the financial statements, it is recognized as an adjustment to the reserves in the current period financial statements. i.e Material prior period errors shall be adjusted prospectively by restating the opening reserves.

(b) **Changes in Accounting Policies e.g depreciation policy**: If the prior year adjustment relates to a change in accounting policy, the adjustment is recognized in the balance of the reserves in the current period financial statements. i.e Changes in accounting policies shall be applied prospectively.

(c) **Changes in Estimates e.g change in provisions, useful life of an asset:** If the prior year adjustment relates to a change in accounting estimate, the adjustment is recognized in the current period's statement of financial performance. i.e recognized prospectively by including the effects in the surplus or deficit in the current financial year considering that changes in accounting estimates frequently arise as part of the normal process of measuring assets and liabilities at the reporting date.

(xvi) Contingent liabilities and assets

Contingent liabilities are disclosed in a memorandum statement (Statement of Contingent liabilities) of the entity when it's probable that an outflow of economic benefits or service potential will flow

Notes to the Financial Statements for the year ended 30 June 2023

from the entity or when an outflow of economic benefits or service potential is probable but cannot be measured reliably. Contingent liabilities comprise government guarantees issued, court awards that have been appealed by the Attorney General, those arising from Public Private Partnerships (PPPs) etc. Non-quantifiable contingent liabilities are disclosed in the memorandum statement of Non-quantifiable contingent liabilities. Contingent assets are neither recognized nor disclosed

(xvii) Outstanding Commitments

Commitments include non-cancelable contractual or statutory obligations. Outstanding commitments relating to non-cancelable contractual or statutory obligation where goods have been delivered or service provided are included in the statement of financial position as payables and in the Statement of Outstanding Commitments after verification and a certificate of arrears verification issued.

Interest commitments on loans due but not paid is recognised in the Statement of Financial Position. The interest component on loans not yet due for payment is not recognised but disclosed

(xviii) Public Private Partnerships

Any investment by the Government in a Public Private Partnership may be through a joint venture or as an associate or as a major shareholder. Except for the latter, these are accounted for as investments whether held for trading purposes or otherwise. The financial statements in that case are consolidated as if the other entity is a controlled entity in accordance with IPSAS 38.

In other instances where the Government provides certain guarantees which could crystalize and result into an outflow of resources, the guarantees are quantified and disclosed in the memorandum Statement of Contingent Liabilities. The amounts disclosed as part of contingent liabilities represent the most likely outflow of resources should certain events crystalize which are assessed annually. If the events crystalize, the amounts become payables through the Statement of Financial Performance and Statement of Financial Position on an accrual basis

Note 2 - Exchange rates

All monetary amounts in the financial statements are expressed in Uganda Shillings, the legal tender. The Uganda Shilling average rate as at 30 June 2022 for major currencies was:

	Actual 30 June 2023 Shs	Actual 30 June 2022 Shs
United States Dollar		3759.35
British Pound		4586.81
Euro		3974.49
SDR/AFU/IDI		5,010.76

Source: Bank of Uganda website

Notes to the Financial Statements for the year ended 30 June 2023

Note 3 -Taxation revenues

Tax revenues comprise both direct and indirect taxes levied and collected by the Uganda Revenue Authority [the URA] on behalf of the Government, and are paid into the Consolidated Fund as required by Section 9 of the Public Finance Management Act, 2015[the Act]. Also included are taxes levied and collected by Local Government votes and Kampala Capital City Authority (KCCA) as part of appropriation. Details of taxation revenues for the year are summarized hereunder:

	30 June 2023 Shs.	30 June 2022 Shs.
Customs and exercise taxes	7,713,736,239,623	6,755,675,617,388
Taxes on gains and profits, fees and licenses including VAT	16,460,625,263,062	14,030,545,998,625
Other Taxes (Collections by KCCA and LG votes)	77,881,099,821	85,677,595,528
Sub-total	**24,252,242,602,506**	**20,871,899,211,541**
Less Tax refunds	(542,998,594,006)	(439,106,336,964)
Less Mineral royalties, Bank Charges and other transfers	(35,790,711,007)	(30,761,039,408)
Total taxation revenues	**23,673,453,297,493**	**20,402,031,835,169**

Note 4 - External Assistance

External Assistance was received in the form of loans and grants from Domestic sources, Multilateral and Bilateral donor agencies under agreements specifying the purposes for which the external assistance will be utilized. As explained in the accounting policy on revenue recognition (d) (ii), this category of revenue is recognized when received.

External assistance received during the reporting period comprised:

4(a) Grants received

	30 June 2023 Shs.	30 June 2022 Shs.
Grants Received		
Grants from foreign Governments	46,058,384,707	40,007,315,035
Grants from multilateral organizations	1,081,688,007,529	1,368,091,180,291
Total grants received	**1,127,746,392,236**	**1,408,098,495,326**
4(b) Loans		
Loan Funds		
Loans from foreign Governments		1,299,111,843,191
Loans from Commercial Banks		1,481,431,875,699
Loans from multilateral organizations		2,814,584,262,296
Total		**5,595,127,981,186**
Total External Assistance (5(a) +5(b))		**7,003,226,476,512**

Notes to the Financial Statements for the year ended 30 June 2023

Note 5(a) - Non-Tax Revenues [NTR] from non-exchange transactions

The collection of NTR is largely undertaken by the respective entities (votes) and remitted to the UCF through the Uganda Authority.

	30 June 2023 Shs.	30 June 2022 Shs.
Administrative fees and licenses	969,485,258,008	1,174,512,486,130
Fines and penalties	31,584,412,077	7,668,610,654
Other transfers/ donations	794,425,202	7,183,529,817
Miscellaneous revenue*	431,764,148,887	507,980,900,269
Total Non-Tax Revenue from non-exchange transactions	**1,433,628,244,174**	**1,697,345,526,870**

Note 5(b) - Non-Tax Revenues [NTR] from exchange transactions

The collection of NTR is now largely being undertaken by URA. NTR principally comprises the following:

	30 June 2023 Shs.	30 June 2022 Shs.
Investment income	164,924,324,412	661,127,944,089
Dividends	10,656,796,625	7,672,992,291
Rent	124,509,568,967	61,191,159,809
Other property income	907,374,629	6,991,880,126
Sale of goods and services	128,478,780,376	70,504,619,599
Total Non-Tax Revenue from exchange transactions	**429,476,845,009**	**807,488,595,914**

Note 6 – HIPC Relief

Relief under Highly Indebted Poor Countries [HIPC] arrangement included

	30 June 2023 Shs.	30 June 2022 Shs.
Under IMF arrangements	-	-
Other creditors- principal amounts	-	-
Other creditors- interests amounts	-	-
Total relief	**-**	**-**

There have been no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance.

Note 7 – Compensation of Employees

Principally comprise:

	30 June 2023 Shs.	30 June 2022 Shs.
Wages and salaries	7,730,668,991,355	6,273,172,550,161
Social Contributions	249,275,010,939	153,689,066,286
Other employment costs	15,849,098,096	492,666,460,510
Total employee costs.	**7,995,793,100,390**	**6,919,528,076,957**

Notes to the Financial Statements for the year ended 30 June 2023

Note 8 - Goods and services consumed

These comprise:

	30 June 2023 Shs.	30 June 2022 Shs.
General expenses	1,285,198,456,706	1,333,464,239,231
Communications	94,185,293,039	98,547,929,166
Utility and property expenses	393,946,638,285	403,685,030,190
Supplies and services	2,386,808,660,541	2,038,468,486,600
Professional services	637,248,458,860	262,633,478,890
Insurances and licenses	26,937,060,857	22,340,664,368
Travel and transport	1,179,933,627,107	1,004,467,134,953
Maintenance	613,382,300,857	613,901,079,368
Goods Purchased for resale	374,166,669	
Total goods and services	**6,618,014,662,921**	**5,777,508,042,766**

Note 9: Depreciation/ Amortization

	30 June 2023 (Shs)	30 June 2022 (Shs)
Buildings and Structures	91,149,111,174	3,660,068,705,927
Transport equipment	44,556,615,849	322,710,983,943
ICT equipment	12,801,513,435	
Other machinery & equipment	68,356,387,256	303,145,701,051
Other fixed assets	4,530,480,494	2,849,749,579,169
Heritage Assets	17,320,020	-
Investment properties	-	-
Intangible Assets	4,324,891,686	-
Total	**225,736,319,914**	**7,135,674,970,090**

Note 10: Impairment expense

	30 June 2023 (Shs)	30 June 2022 (Shs)
Buildings and Structures		
Transport equipment		
ICT equipment		
Other machinery & equipment		
Other fixed Assets		
Heritage Assets		
Investment properties		
Intangible Assets		
Total		

Notes to the Financial Statements for the year ended 30 June 2023

Note 11 - Subsidies

Subsidies paid during the year are summarized as below:

	30 June 2023 Shs.	30 June 2022 Shs.
To public corporations	-	-
To private enterprises	2,400,000,000	-
To private individuals	-	-
Total subsidies for the year	**2,400,000,000**	-

Note 12 – Grants and other transfers

The Government paid grants during the year to the following:

	30 June 2023 Shs.	30 June 2022 Shs.
To international organization	77,558,636,954	85,860,874,077
To other non-consolidated Government units	1,926,615,884,285	7,182,181,565,256
To resident non-Government units	3,433,571,622,539	148,752,618,347
To Non-Consolidated Government units	1,025,418,105,978	
Total grants for the year	**6,463,164,249,756**	**7,416,795,057,680**

Government paid grants to international organizations to which Uganda is a member and such payments include annual membership fees, contributions, & support funds.

Grants to other non-consolidated Government units are support grants to agencies and tertiary education institutions within the appropriated amounts by Parliament.

Grants to local Governments comprise equalization, conditional and unconditional grants as appropriated by Parliament. These are expensed at the time of transfer and the unutilized balance on conditional grants returned treated as income.

Note 13 - Social benefits

Social benefits paid during the year comprise:

	30 June 2023 Shs.	30 June 2022 Shs.
Pensions and Gratuity	845,107,814,050	465,759,812,086
Other Social benefits	15,850,019,883	15,584,638,447
Total	**860,957,833,933**	**481,344,450,533**

Note 14 - Other expenses

These comprise:

	30 June 2023 Shs.	30 June 2022 Shs.
Property expenses other than interest	10,880,224,781	6,517,274,603
Miscellaneous expenses	665,745,162,617	1,266,547,638,305
Total other operating expenses	**676,625,387,398**	**1,273,064,912,908**

Notes to the Financial Statements for the year ended 30 June 2023

Note 15 - Foreign exchange gains and losses

	30 June 2023 Shs.	30 June 2022 Shs.
Realised loss (gain)	(29,065,186,609)	(68,275,107,842)
Un/realized loss	-	-
Un/realized gain	(1,043,167,082,649)	(615,046,267,387)
Net foreign exchange (gains)/ losses	**(1,072,232,269,258)**	**(683,321,375,229)**

Note 16 - Finance costs

Finance cost includes interests paid during the year in respect of external debts, commitment fees, and charges on treasury bills, treasury bonds, and other domestic borrowings received during the year. These charges arise only from financing arrangements for the budget and monetary policy instruments rather than temporary arrangements to meet cash flow requirements.

	30 June 2023 Shs.	30 June 2022 Shs.
Interest on external borrowings	1,013,577,230,585	1,082,659,264,290
Interest on treasury bills/bonds	4,711,332,775,421	4,394,516,128,147
Other finance costs	424,800,520,608	-
Total finance costs	**6,149,710,526,614**	**5,477,175,392,437**

Note 17 - Bad debts expenses

	30 June 2023 Shs	30 June 2022 Shs
Bad debts written off		-
Provision for bad debts		-
Total Bad Debts at the end of the year		-

Note 18- Cash and Cash equivalents

Comprise cash and bank balances of all bank accounts operated by the Treasury and central Government ministries and Agencies with Bank of Uganda and commercial banks. Cash in transit includes amounts collected by Uganda Revenue Authority (the URA) in respect of taxes and non-tax revenues but not remitted to the Consolidated Fund by the year end

	30 June 2023 Shs.	30 June 2022 Shs.
DOMESTIC		
Revenue accounts	194,305,736,665	229,888,891,985
Expenditure accounts	137,450,825,367	130,353,944,498
Project accounts	876,096,849,359	15,275,113,798
Contingency Fund account	-	-
Petroleum Fund Account	227,052,925,635	110,238,744,342
Collection accounts	16,357,358,513	7,906,123,583
Cash in transit	923,319,873,256	96,273,259,848
Cash at hand- Imprest	801,911,845	759,686,520
Others including Treasury accounts	895,072,114,313	868,953,144,285
Total cash and cash equivalents	**3,270,457,594,953**	**1,459,648,908,859**

Notes to the Financial Statements for the year ended 30 June 2023

Note 19 - Receivables

Receivables include on-lent amounts due from Government entities, letters of credit not retired and other advances.

	30 June 2023 Shs.	30 June 2022 Shs.
Accrued revenue	355,127,446,084	22,916,414,839
Loans	7,715,667,530,366	7,697,628,260,532
Advances	984,172,053,710	793,221,479,830
Letters of Credit	364,398,116,107	437,933,406,961
Other accounts receivable	885,425,431,175	1,291,855,122,823
Total Receivables	**10,304,790,577,442**	**10,243,554,684,985**
Less provision for bad debts [Note19(a)]	(247,145,856,312)	(247,145,856,312)
Net Receivables	**10,057,644,721,130**	**9,996,408,828,673**

Note 19 (a) Provision for Doubtful Debts

	30 June 2023 Shs.	30 June 2022 Shs.
Provision at the beginning of the year- at 1 July	247,145,856,312	247,145,856,312
Increase / (decrease) in provision for the year	-	-
Less: Provision approved for write off during the year	-	-
Provision at the end of the year	**247,145,856,312**	**247,145,856,312**

Note 20: Inventories

	30 June 2023 Shs.	30 June 2022 Shs.
Total		

Note 21 – Investments
Comprise investments as follows:

	30 June 2023 Shs.	30 June 2022 Shs.
Securities	2,203,631,522,705	439,771,539,876
Shares and other equity	18,285,343,209,950	18,207,840,171,362
Other Investments-Deposits with IMF	-	1,818,540,889,713
Other Investments	1,232,000,000	-
Total investments	**20,490,206,732,655**	**20,466,152,600,951**

Note 22 : Non-Produced Assets

	30 June 2023 Shs.	30 June 2022 Shs.
Land	6,782,299,139,853	4,871,567,415,896
Energy and other Mineral resources	206,680,349	-
Other Naturally occurring assets	2,628,039,484	11,367,972,821
Total	**6,785,133,859,686**	**4,882,935,388,717**

Notes to the Financial Statements for the year ended 30 June 2023

Note 23: Produced Assets, Heritage Assets, Investment properties and Intangible Assets

	Cost Shs	30 June 2023 Acc. Depreciation Shs	30 June 2023 Impairment Shs	30 June 2023 Net Book Value Shs	30 June 2022 Net Book Value Shs	
Buildings and Structures	4,813,899,094,142	215,425,063,787	-	4,598,474,030,355		
Transport equipment	682,968,640,929	364,676,305,236	-	318,292,335,693		
ICT equipment	63,953,437,403	16,401,961,249	-	47,551,476,154		
Other machinery & equipment	2,356,089,399,196	96,676,304,069	-	2,259,413,095,127		
Other fixed Assets	31,420,771,108	4,639,651,715	-	26,781,119,393		
Heritage Assets	77,713,060	-	-	77,713,060		
Subtotal Produced Assets	**7,948,409,055,838**	**697,819,286,056**	**-**	**7,250,589,769,782**		23(a)
Investment properties	179,925,500	-	-	179,925,500		23(b)
Intangible Assets	24,873,152,610	5,410,545,694	-	19,462,606,916		23I
Total						

Note 24: Payables

These are principally accounts payables outstanding at the year-end and comprise:

	30 June 2023 (Shs)	30 June 2022 (Shs)
Trade Creditors	4,030,069,281,632	180,608,803,757
Other accounts payables	5,568,313,231,983	7,397,776,075,607
Total payables	**9,598,382,513,615**	**7,578,384,879,364**

Note 25- Deposits

These comprise funds held by Government on behalf of other parties. Examples include court bail funds, security bonds, EATV for partner states, etc

	30 June 2023 Shs.	30 June 2022 Shs.
Deposits received	429,376,719,668	761,770,776,192
Deferred Income	12,968,352,788	62,015,665,778
Other deposits	92,095,133,132	-
Total	**534,440,205,588**	**823,786,441,970**

Notes to the Financial Statements for the year ended 30 June 2023

Note 26- Borrowings

These comprise short term borrowings to finance the Consolidated Fund, and other Government entities being consolidated. These principally comprise treasury bills, bonds and external borrowings, which have not been redeemed by the year-end.

		30 June 2023 Amounts Shs	**% Total Borrowings**	30 June 2022 Amount Shs	% Total Borrowings
Currency and deposits	26(a)				
Debt Securities	26(b)	33,252,095,635,315	39%	29,502,251,367,530	36%
Loans	26I	52,471,546,575,603	61%	48,463,337,169,570	64%
Derivatives	26(d)				
Other borrowings	26(e)	443,450,802	0%	986,835,015	
Total Borrowings		**85,724,085,661,720**	**100%**	**77,966,575,372,115**	100%

Note 26(a) – Currency and Deposits

Note 26(b) – Debt Securities

These comprise treasury bills, bonds and promissory notes issued by Bank of Uganda [the central bank] on behalf of the Government of the Republic of Uganda. These are shown below as follows:

		30 June 2023 Shs.	30 June 2022 Shs.
Treasury bills	26(b)i	4,928,034,299,424	4,609,873,615,445
Government bonds	26(b)ii	28,240,287,510,545	24,815,595,278,902
Promissory Notes	26(b)iii	83,773,825,346	76,782,473,183
Other Notes			
TOTAL		**33,252,095,635,315**	**29,502,251,367,530**

26(b)i: Treasury bills

Maturity dates for the Treasury bills are analyzed as below; -

	30 June 2023 Shs.	30 June 2022 Shs.
91-day bills	88,502,572,799	75,894,911,624
182-day bills	263,590,349,240	328,926,326,758
273-day bills	-	-
364-day bills	4,575,941,377,385	4,205,052,377,063
Total value of treasury bills	**4,928,034,299,424**	**4,609,873,615,445**

Notes to the Financial Statements for the year ended 30 June 2023

26(b)ii: Government bonds

Categorization of unredeemed bonds as at 30 June 2023 is as below; -

	30 June 2023 Shs.	30 June 2022 Shs.
Bonds to be redeemed between 1-2 years	7,567,206,727,860	2,052,507,182,277
Bonds to be redeemed between 2-3 years	1,224,148,106,614	2,275,938,236,487
Bonds to be redeemed between 3-5 years	2,237,070,865,017	3,981,848,582,352
Bonds to be redeemed between 5-10years	7,832,631,199,337	7,456,020,811,967
Bonds to be redeemed after ten years	9,379,230,611,717	9,049,280,465,819
Total value of treasury bonds	**28,240,287,510,545**	**24,815,595,278,902**

26(b)iii: Promissory Notes

	30 June 2023 Shs.	30 June 2022 Shs.
Promissory notes	83,773,825,346	76,782,473,183
Total	**83,773,825,346**	**76,782,473,183**

Note 26(c) – Disbursed Loans

		30 June 2023 Shs.	30 June 2022 Shs.
Loans from Multi-lateral organizations	26(c)i	32,426,739,423,315	29,918,377,331,087
Loans from foreign Governments -bilateral	26(c)ii	12,899,225,457,207	13,512,119,777,824
Loans from Commercial Banks	26(c)ii	7,145,581,695,081	5,032,840,060,659
Other loans			
Total domestic loans		**52,471,546,575,603**	**48,463,337,169,570**

Loan categorization

This includes loans committed by the various creditors but are yet to be utilized by Government. Total undisbursed debt is disclosed but not recognised in these financial statements

	30 June 2023 Disbursed [26(C)] Shs	30 June 2023 Un-Disbursed Shs	30 June 2022 Total Shs.
From International Organisations- Multilateral			
From foreign Governments- Bilateral			
Others			
Total loans			

Effective rates of interests

The effective weighted average interest rate for external borrowings at the balance sheet date was as follows:

	30 June 2023 Interest rate %	30 June 2022 Interest rate %
From International organizations-multilateral	0.5-6.75	0.5-6.75
From foreign Governments-bilateral	0.2-7	0.2-7
From foreign commercial banks	1.75-10	1.75-10

26(c) i: Loans from Multi-lateral organizations

Notes to the Financial Statements for the year ended 30 June 2023

Include borrowings from international financial institutions, and from any other foreign private financial institutions.

These are summarized as follows:

	30 June 2023 Shs.	% of Total multi-lateral debt	30 June 2022 Shs.	% of total multi-lateral debt
African Development Fund	5,535,146,627,830	17%	5,511,418,082,232	**18%**
International Monetary Fund	5,316,916,375,365	16%	-	**0%**
International Development Association	16,752,411,225,954	52%	16,699,854,430,588	**56%**
Sub-total	**27,604,474,229,149**	85%	22,211,272,512,820	**74%**
Others	4,822,265,194,166	15%	7,707,104,818,267	**26%**
Total multi-lateral debts	**32,426,739,423,315**	100%	**29,918,377,331,087**	**100%**

26(*c*) *ii: Loans from Foreign Governments*

These are from various Governments and are summarized between OECD and non-OECD countries as follows:

	30 June 2023 Shs	% of total bi-lateral debt	30 June 2022 Shs.	% of total bi-lateral debt
From OECD countries	3,219,771,277,285	25%	3,354,426,740,997	**18%**
From non-OECD countries	9,679,454,179,922	75%	10,157,693,036,827	**82%**
Total loans from bi-laterals	**12,899,225,457,207**	100%	**13,512,119,777,824**	**100%**

26(*c*) *iii: Loans from Commercial Banks*

	30 June 2023 Shs	30 June 2022 Shs.
Local Commercial banks		
Foreign Commercial banks	7,145,581,695,081	5,032,840,060,659
Total loans from Commercial banks	7,145,581,695,081	**5,032,840,060,659**

Note 26(d) – Derivatives

Note 26(e) – Other borrowing

	30 June 2023 Shs.	30 June 2022 Shs.
Other Notes	443,450,802	342,600,227,412

Notes to the Financial Statements for the year ended 30 June 2023

Note 27- Pension liabilities

It is Government policy to pay pensions to all permanent and pensionable employees of the Government in accordance with the provisions of the Pensions Act, Cap 281. Only pension liabilities for retired employees due but not paid are recognised in the Financial Statements.

	30 June 2023 Shs.	30 June 2022 Shs.
Former employees of the Public Service	246,512,161,934	359,859,726,492
Former employees of the Military Service	50,658,802,538	78,241,078,051
Gratuity arrears	163,280,506	33,054,664,920
Others	13,325,974,877	205,792,658
Total	**310,660,219,855**	**471,361,262,121**

Aging of Pensions liabilities

Note 28 - The Consolidated Fund

The Consolidated Fund is set up by the Constitution of the Republic of Uganda, 1995. The operations of the consolidated fund are governed by the provisions of section 30 of the Public Finance Management Act, 2015.

Accumulated deficits in the Consolidated Fund	30 June 2023 Shs.	30 June 2022 Shs.
At beginning of the year, I July 2022	(50,154,351,569,685)	(42,988,978,061,919)
Re-statement of external debt, on-lent loans and investments and others	2,869,667,997,858	2,317,431,567,097
Surplus for the year- see Statement of Financial Performance	(1,255,865,032,756)	(9,482,805,074,863)
At end of the year, 30 June 2023	**(48,540,548,604,583)**	**(50,154,351,569,685)**

Notes to the Financial Statements for the year ended 30 June 2023

Note 29- The Contingency Fund

The Contingency Fund is set up under the provisions of Section 26 of the Public Finance Management Act, 2015 as amended for provision of funds for supplementary expenditures and to respond to natural disasters.

	30 June 2023 Shs.	30 June 2022 Shs.
At the beginning of the year	-	-
Return of Un-utilized funds	43,346,086	-
Transfers to UCF	(11,522,333,086)	1,030,403,549
Additions through appropriations	62,068,387,000	72,068,387,000
Withdrawals from the Fund	(50,589,400,000)	(71,037,983,451)
Balance at the end of the year	-	-

Note 30 – Petroleum Fund

The Petroleum Fund is set up under the provisions of section 56 of the Public Finance Management Act, 2015 to manage revenue accruing from Petroleum activities. The Management of the Petroleum Fund is governed by the sections and provisions of Part VII-Petroleum Revenue Management of the PFMA, 2015 as amended.

	30 June 2023 Shs.	30 June 2022 Shs.
Petroleum Fund b/f	121,184,214,582	238,675,823,200
Withdrawals from the Fund	-	(200,000,000,000)
Replenishment from the Fund	125,469,099,529	82,028,314,907
Adjustment to the Fund	1,900,315	480,076,475
Balance at the end of the year	**246,655,214,426**	**121,184,214,582**

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

Other Schedules to the Financial Statements

MINISTRIES

Name of ministry	Approved estimates Shs.	Actual released Shs.	**Actual expenditure Shs.**	Variance Shs
Office of the President	230,657,522,239	224,288,018,383	**224,288,018,383**	6,369,503,856
State House	913,417,609,375	834,244,377,405	**834,244,377,405**	79,173,231,970
Office of the Prime Minister	225,363,081,737	101,742,685,419	**237,311,103,121**	(11,948,021,384)
Ministry of Defence	4,287,483,573,134	3,812,504,537,443	**3,812,504,537,443**	474,979,035,691
Ministry of Public Service	30,805,223,562	25,026,060,625	**25,026,060,625**	5,779,162,937
Ministry of Foreign Affairs	51,880,667,637	50,096,851,564	**50,096,851,564**	1,783,816,073
Ministry of Justice and Constitutional Affairs	159,269,382,377	121,729,134,743	**121,729,134,743**	37,540,247,634
Ministry of Finance, Planning and Econ De	2,638,550,968,726	2,506,192,805,076	**2,506,192,805,076**	132,358,163,650
Ministry of Internal Affairs	60,588,057,133	57,231,736,734	**57,231,736,734**	3,356,320,399
Ministry of Agric, Animal Ind and Fisheries	568,576,928,436	175,393,878,849	**325,579,578,427**	242,997,350,009
Ministry of Local Government	196,791,874,682	50,129,812,644	**110,022,155,627**	86,769,719,055
Ministry of Lands, Housing & Urban Development	303,674,445,398	101,391,540,067	**162,554,209,114**	141,120,236,284
Ministry of Education and Sports	699,663,613,557	362,028,734,337	**364,144,544,863**	335,519,068,694
Ministry of Health	1,613,301,623,080	223,419,816,133	**1,085,467,155,306**	527,834,467,774
Ministry of Trade and Industry	525,409,357,864	475,615,661,656	**475,615,661,656**	49,793,696,208
Ministry of Works & Transport	963,565,709,066	587,193,913,267	**587,193,913,267**	376,371,795,799
Ministry of Energy and Minerals	1,796,807,577,650	524,778,836,200	**664,207,510,881**	1,132,600,066,769
Ministry of Gender, Labour and Social Development	281,565,694,694	252,214,895,460	**252,502,462,209**	29,063,232,485
Ministry of Water & Environment	1,509,683,267,440	337,149,718,036	**471,282,388,766**	1,038,400,878,674
Ministry of Communication & ICT	213,967,374,604	166,231,951,739	**166,231,951,739**	47,735,422,865
Ministry of East African Affairs	48,549,233,286	40,113,946,919	**40,133,201,813**	8,416,031,473
Ministry of Tourism & Heritage	172,893,684,403	85,432,379,475	**85,432,379,475**	87,461,304,928
Ministry of Kampala Capital City and Metropolitan Affairs	10,215,000,000	8,127,374,472	**8,127,374,472**	2,087,625,528
Totals for 30 June 2023	**17,502,681,470,080**	**11,122,278,666,646**	**12,667,119,112,709**	**4,835,562,357,371**
Totals for 30 June 2022	11,128,469,163,728	10,371,290,553,148	10,371,282,970,791	757,186,192,937

Statement of Appropriation by vote for the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

AGENCIES

Name of agency	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Courts of Judicature	384,418,800,423	348,737,121,569	**348,737,121,569**	35,681,678,854
Electoral Commission(EC)	146,296,997,868	142,225,093,474	**142,225,756,110**	4,071,241,758
Inspector General of Government's Office(IGG)	79,367,969,571	69,127,190,205	**69,127,055,205**	10,240,914,366
Parliamentary Commission(PARL)	914,979,314,946	905,840,557,473	**905,840,557,473**	9,138,757,473
Uganda Law Reform Commission(ULRC)	18,149,940,984	16,555,318,209	**16,555,318,209**	1,594,622,775
Uganda Human Rights Commission (UHRC)	20,239,802,426	19,996,730,653	**19,996,730,653**	243,071,773
Uganda Aids Commission (UAC)	18,043,210,804	15,222,210,168	**15,222,210,168**	2,821,000,636
National Planning Authority(NPA)	46,193,192,910	44,986,770,808	**44,986,770,808**	1,206,422,102
Uganda National Meteorological Authority (UNMA)	17,656,043,068	14,505,920,680	**14,505,920,680**	3,150,122,388
Uganda Industrial Research Institute (UIRI)	25,502,094,190	22,604,020,392	**22,604,020,392**	2,898,073,798
National Curriculum Development Centre (NCDC)	28,124,694,635	27,309,014,196	**27,309,014,196**	815,680,439
Directorate of Ethics and Integrity(DEI)	15,283,546,383	11,887,204,409	**11,887,204,409**	3,396,341,974
Uganda National Roads Authority (UNRA)	2,695,923,984,030	1,316,727,512,327	**1,936,595,145,910**	759,328,838,120
Uganda Cancer Institute (UCI)	69,037,589,276	48,683,815,372	**48,683,815,372**	20,353,773,904
Uganda Heart Institute (UHI)	24,735,263,873	22,459,651,247	**22,459,651,247**	2,275,612,626
Uganda National Medical Stores	513,090,245,686	505,334,110,154	**505,334,110,154**	7,756,135,532
Uganda Tourism Board (UTB)	26,451,088,208	17,952,904,317	**17,952,904,317**	8,498,183,891
Uganda Road Fund (RF)	487,952,712,217	487,736,637,845	**487,814,497,242**	138,214,975
Uganda Registration Services Bureau (URSB)	34,216,971,572	32,984,207,669	**32,984,207,669**	1,232,763,903
National Citizenship and Immigration Control(NCIC)	167,156,088,267	159,125,353,800	**159,125,353,800**	8,030,734,467
Diary Development Authority (DDA)	18,189,718,786	10,963,336,482	**10,963,336,482**	7,226,382,304
Kampala Capital City Authority(KCCA)	467,712,119,542	321,212,330,863	**469,536,199,473**	(1,824,079,931)
National Lotteries and Gaming Regulatory Board	8,158,997,108	6,177,626,944	**6,177,626,944**	1,981,370,164
Equal Opportunities Commission	17,213,734,381	15,512,365,530	**15,512,365,530**	1,701,368,851
National Animal Genetic Resource Centre and Data Bank	93,231,495,473	93,224,883,902	**93,224,883,902**	6,611,571
National Information Technology Authority	56,475,707,307	47,194,313,373	**53,035,411,334**	3,440,295,973
Uganda Virus Research Institute (UVRI)	10,578,721,569	10,348,781,416	**10,348,974,406**	229,747,163
Uganda National Examination Board (UNEB)	126,729,586,335	74,618,109,780	**118,534,794,215**	8,194,792,120
Financial Intelligence Authority (FIA)	26,651,462,556	22,518,843,317	**22,518,843,317**	4,132,619,239
Treasury Operations (TOP)	16,812,162,585,003	13,887,143,615,519	**17,366,733,822,807**	(554,571,237,804)
Office of the Auditor General (OAG)	107,843,651,850	107,017,056,595	**107,017,056,595**	826,595,255
Education Service Commission(ESC)	14,647,512,893	13,135,501,661	**13,135,501,661**	1,512,011,232
Directorate of Public Prosecutions(DPP)	95,362,626,753	74,685,603,271	**74,685,603,271**	20,677,023,482
Health Service Commission(HSC)	13,964,203,792	9,702,775,255	**9,702,775,255**	4,261,428,537
Directorate of Government Analytical Laboratory (DGAL	37,304,234,151	14,765,276,107	**14,765,281,180**	22,538,952,971
Uganda Export Promotion Board (UEPB)	8,404,652,352	3,901,905,763	**3,901,905,763**	4,502,746,589
National Identification and Registration Authority (NIRA)	60,885,825,359	47,087,013,938	**47,087,013,938**	13,798,811,421
Uganda Investment Authority (UIA)	307,364,924,830	49,630,908,792	**49,627,096,361**	257,737,828,469
Petroleum Authority of Uganda (PAU)	74,727,190,231	69,976,125,130	**69,989,156,952**	4,738,033,279
Capital Markets Authority	8,572,754,085	5,891,636,293	**5,891,928,420**	2,680,825,665
Uganda Revenue Authority (URA)	539,833,678,960	566,551,462,568	**566,551,462,568**	(26,717,783,608)
National Agricultural Research Organization(NARO)	117,927,115,756	111,136,596,352	**111,619,905,891**	6,307,209,865
Uganda Bureau of Statistics (UBOS)	75,754,924,296	70,661,573,779	**70,661,573,779**	5,093,350,517

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

Name of agency	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Uganda Police Force	980,415,974,400	962,880,835,494	**963,153,268,297**	17,262,706,103
Uganda Prisons Services	340,060,439,562	333,206,319,674	**355,719,488,287**	(15,659,048,725)
Public Service Commission (PSC)	11,834,033,241	11,596,133,124	**11,596,133,124**	237,900,117
Local Government Finance Commission (LGFC)	5,455,574,260	5,446,680,556	**5,446,680,556**	8,893,704
Judicial Service Commission (JSC)	17,736,332,410	15,296,184,206	**15,296,184,206**	2,440,148,204
National Population Council	13,734,069,660	10,027,048,747	**10,027,139,547**	3,706,930,113
National Environment Management Authority (NEMA)	18,943,153,375	16,863,605,960	**16,863,605,960**	2,079,547,415
Uganda Blood Transfusion Services (UBTS)	24,353,338,170	23,146,730,257	**23,146,730,257**	1,206,607,913
National Agricultural Advisory Services (NAADS)	58,922,533,182	45,080,974,384	**45,080,974,384**	13,841,558,798
Public Procurement and Disposal of Public Assets Auth	23,176,565,523	21,255,539,764	**21,255,539,764**	1,921,025,759
Uganda National Bureau of Standards (UNBS)	46,619,094,076	45,185,293,652	**45,186,492,800**	1,432,601,276
Cotton Development Organization	17,233,260,620	16,747,287,177	**16,747,287,177**	485,973,443
Uganda Land Commission (ULC)	40,109,501,223	30,225,578,922	**30,225,578,922**	9,883,922,301
National Forestry Authority (NFA)	29,241,765,322	24,228,115,568	**24,208,941,818**	5,032,823,504
Internal Security Organization (ISO)	173,999,257,075	173,238,065,341	**173,238,065,341**	761,191,734
External Security Organization (ESO)	94,783,548,334	74,527,719,684	**74,527,719,684**	20,255,828,650
Uganda Coffee Development Authority (UCDA)	64,939,832,475	37,786,507,963	**37,786,507,963**	27,153,324,512
Uganda Free Zones Authority	28,356,591,000	27,535,533,945	**27,535,533,945**	821,057,055
Uganda Microfinance Regulatory Authority	15,140,135,000	11,619,433,336	**11,161,496,588**	3,978,638,412
Uganda Retirements Benefits Regulatory Authority	13,625,059,370	13,181,101,151	**13,180,684,216**	444,375,154
National Council for Higher Education	19,805,000,000	14,985,866,864	**14,985,866,864**	4,819,133,136
Uganda Business and Technical Examination Board	35,256,282,271	33,366,915,648	**44,127,300,850**	(8,871,018,579)
National Council of Sports	47,812,199,000	47,477,140,963	**47,688,505,067**	123,693,933
Science, Technology and Innovation	-	-	-	-
Sub-total Agencies	**26,954,070,514,254**	**21,857,963,599,977**	**26,189,355,611,244**	**764,714,903,010**

Statement of Appropriation by vote for the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

PUSATIs	Approved estimates Shs.	Actual released Shs.	**Actual expenditure Shs.**	Variance Shs.
Makerere University	377,345,473,987	367,819,674,137	**367,808,948,544**	9,536,525,443
Mbarara University	59,457,765,757	56,472,731,828	**56,472,731,828**	2,985,033,929
Makerere University Business School	115,004,588,185	110,345,403,598	**110,345,403,598**	4,659,184,587
Kyambogo University	138,666,242,461	138,060,332,356	**138,060,332,356**	605,910,105
Busitema University	61,546,151,945	52,374,870,088	**52,375,257,669**	9,170,894,276
Muni University	25,939,158,473	24,547,614,589	**24,547,614,589**	1,391,543,884
Kabale University	63,204,477,764	51,179,212,627	**50,565,618,450**	12,638,859,314
Soroti University	24,757,859,715	19,901,895,774	**19,882,980,865**	4,874,878,850
Gulu University	78,483,186,568	69,240,608,490	**69,240,608,490**	9,242,578,078
Lira University	30,814,704,695	27,067,646,045	**27,067,646,045**	3,747,058,650
Law Development Centre.	29,662,922,445	29,650,478,951	**29,647,594,149**	15,328,296
Uganda Management Institute	36,962,421,284	36,382,746,959	**36,382,746,959**	579,674,325
Mountains of the Moon University	45,900,000,000	38,324,570,937	**38,321,910,615**	7,578,089,385
Sub- total PUSATIs	**1,087,744,953,279**	**1,021,367,786,379**	**1,020,719,394,157**	**67,025,559,122**
Total Agencies	**28,041,815,467,533**	**22,879,331,386,356**	**27,210,075,005,401**	**831,740,462,132**

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral hospital	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Mulago National Referral Hospital	109,258,148,123	103,568,734,843	103,568,734,843	5,689,413,280
Butabika National Referral Mental Hospital	21,674,574,519	21,572,952,127	21,572,952,127	101,622,392
Arua Regional Referral Hospital	18,369,341,742	18,366,152,495	18,366,152,495	3,189,247
Fort Portal Regional Referral Hospital	13,010,264,070	12,180,328,008	12,180,328,008	829,936,062
Gulu Regional Referral Hospital	17,677,764,198	12,609,449,854	12,609,449,854	5,068,314,344
Hoima Regional Referral Hospital	18,167,566,531	17,747,609,246	17,747,609,246	419,957,285
Jinja Regional Referral Hospital	22,007,700,181	18,042,346,430	18,042,346,430	3,965,353,751
Kabale Regional Referral Hospital	13,532,490,249	11,269,119,641	11,269,119,641	2,263,370,608
Masaka Regional Referral Hospital	14,716,386,666	13,591,163,791	13,893,254,122	823,132,544
Mbale Regional Referral Hospital	24,427,662,969	22,455,562,135	22,455,562,135	1,972,100,834
Soroti Regional Referral Hospital	13,637,602,290	12,642,402,784	12,642,402,784	995,199,506
Lira Regional Referral Hospital	18,204,367,587	17,366,095,747	17,366,095,747	838,271,840
Mbarara Regional Referral Hospital	20,649,840,964	18,993,206,155	18,993,967,905	1,655,873,059
Mubende Regional Referral Hospital	10,092,697,697	10,023,486,001	10,023,151,365	69,546,332
Moroto Regional Referral Hospital	12,630,852,074	11,607,126,624	11,607,126,624	1,023,725,450
China-Uganda Friendship Hospital Naguru	12,535,281,233	11,797,001,362	11,798,057,783	737,223,450
Kiruddu Specialised National Referral Hospital	27,393,235,379	26,112,313,849	26,111,430,649	1,281,804,730
Kawempe Specialised National Referral Hospital	21,517,605,570	18,113,110,340	18,113,110,340	3,404,495,230
Entebbe Regional Referral Hospital	8,451,067,193	8,291,485,990	8,291,485,990	159,581,203
Mulago Specialized Women and Neonatal Hospital	32,024,987,660	29,962,418,729	29,963,929,305	2,061,058,355
Kayunga Regional Referral Hospital	11,760,591,516	10,138,809,627	10,138,976,147	1,621,615,369
Yumbe Regional Referral Hospital	10,247,297,052	8,520,057,103	8,519,584,529	1,727,712,523
				-
Total Hospitals	**471,987,325,463**	**434,970,932,881**	**435,274,828,069**	**36,712,497,394**

Statement of Appropriation by vote for the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Name of Embassy/mission	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Uganda Mission at the United Nations, New York	18,114,004,078	18,102,169,781	**17,299,523,040**	814,481,038
Uganda High Commission in the United Kingdom	6,150,059,279	6,150,058,998	**6,260,311,620**	(110,252,341)
Uganda High Commission in Canada ,Ottawa	5,420,078,749	5,420,078,750	**6,550,775,428**	(1,130,696,679)
Uganda High Commission in India, New Delhi	4,834,538,918	4,834,538,864	**4,668,473,194**	166,065,724
Uganda High Commission in Kenya, Nairobi	14,382,235,807	14,402,235,806	**13,383,048,525**	999,187,282
Uganda High Commission in Tanzania, Dar es Salaam	9,951,136,312	4,951,136,312	**4,958,205,169**	4,992,931,143
Uganda High Commission in Nigeria, Abuja	6,634,711,558	7,160,704,150	**7,208,422,237**	(573,710,679)
Uganda High Commission in South Africa, Pretoria	3,295,622,418	3,295,621,206	**3,033,867,545**	261,754,873
Uganda High Commission in Rwanda, Kigali	3,336,536,552	3,336,536,552	**3,319,777,885**	16,758,667
Uganda Embassy in the United States, Washington	11,111,681,570	10,109,014,904	**8,562,900,608**	2,548,780,962
Uganda Embassy in Egypt, Cairo	3,267,239,102	3,259,336,809	**3,231,647,814**	35,591,288
Uganda Embassy in Ethiopia, Addis Ababa	4,052,768,625	4,052,766,676	**3,945,997,164**	106,771,461
Uganda Embassy in China, Beijing	5,120,509,760	5,120,509,760	**5,089,421,847**	31,087,913
Uganda Embassy in Switzerland, Geneva	7,550,787,528	7,550,787,077	**7,329,248,443**	221,539,085
Uganda Embassy in Japan, Tokyo	5,785,531,388	5,785,531,000	**5,336,024,875**	449,506,513
Uganda Embassy in Saudi Arabia, Riyadh	6,877,718,057	6,276,717,669	**6,236,601,294**	641,116,763
Uganda Embassy in Denmark, Copenhagen	6,651,398,760	6,651,398,755	**6,504,296,230**	147,102,530
Uganda Embassy in Belgium, Brussels	5,764,383,085	5,764,383,000	**5,772,009,655**	(7,626,570)
Uganda Embassy in Italy, Rome	5,019,499,309	5,019,498,999	**5,019,498,999**	310
Uganda Embassy in DRC, Kinshasa	7,985,793,351	7,985,793,000	**7,479,300,417**	506,492,934
Uganda Embassy in Sudan, Khartoum	4,388,008,570	4,388,008,570	**4,388,008,570**	-
Uganda Embassy in France, Paris	19,701,473,857	19,701,473,857	**13,658,566,431**	6,042,907,426
Uganda Embassy in Germany, Berlin	8,271,897,503	6,801,897,504	**6,697,870,762**	1,574,026,741
Uganda Embassy in Iran, Tehran	3,417,410,147	3,417,409,993	**3,417,409,993**	154
Uganda Embassy in Russia, Moscow	5,253,941,048	5,253,950,985	**5,093,948,026**	159,993,022
Uganda Embassy in Australia, Canberra	10,756,081,125	10,756,081,393	**10,756,081,393**	(268)
Uganda Embassy in South Sudan, Juba	6,268,816,393	5,870,178,471	**5,570,796,097**	698,020,296
Uganda Embassy in United Arab Emirates	8,633,500,794	8,633,500,800	**8,267,670,736**	365,830,058
Uganda Embassy in Burundi, Bujumbura	2,966,315,561	2,966,315,561	**2,834,061,333**	132,254,228
Uganda Consulate in China, Guangzhou	4,561,389,898	4,561,389,898	**4,429,901,807**	131,488,091
Uganda Embassy in Turkey, Ankara	5,557,003,094	5,557,002,959	**5,533,179,731**	23,823,363
Uganda Embassy in Somalia, Mogadishu	4,113,275,703	4,113,275,703	**4,336,357,450**	(223,081,747)
Uganda Embassy in Malaysia, Kuala Lumpur	3,492,139,716	3,492,139,714	**3,344,350,957**	147,788,759
Uganda Consulate in Kenya, Mombasa	7,036,487,807	5,836,587,807	**5,577,996,292**	1,458,491,515
Uganda Embassy in Algeria, Algiers	6,168,229,701	5,974,519,878	**4,267,874,101**	1,900,355,600
Uganda Embassy in Qatar, Doha	3,373,567,545	3,078,567,545	**3,078,567,545**	295,000,000
Sub-total Missions	**245,265,772,668**	**235,631,118,706**	**222,441,993,213**	**22,823,779,455**
Total for 30 June 2022	240,669,998,094	228,801,276,258	222,579,834,810	18,090,163,284

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

CITIES

Cities	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Arua City Council	56,510,105,031	46,722,172,915	46,723,516,150	9,786,588,881
Fortportal City Council	36,493,126,070	27,294,723,003	28,219,782,820	8,273,343,250
Gulu City Council	62,407,033,551	54,640,429,828	55,887,056,733	6,519,976,818
Hoima City Council	39,121,236,880	35,927,101,109	36,562,453,882	2,558,782,998
Jinja City Council	64,605,292,107	53,009,431,924	59,209,658,152	5,395,633,955
Lira City Council	47,703,075,880	43,036,239,202	43,036,665,742	4,666,410,138
Masaka City Council	50,835,424,726	39,718,975,968	48,558,106,276	2,277,318,450
Mbale City Council	56,938,965,876	49,295,503,068	48,822,790,225	8,116,175,651
Mbarara City Council	67,284,272,148	49,645,079,775	49,647,067,905	17,637,204,243
Soroti City Council	35,403,469,230	27,127,480,288	28,074,414,738	7,329,054,492
Sub-Total Cities	**517,302,001,499**	**426,417,137,080**	**444,741,512,623**	**72,560,488,876**

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

MUNICIPAL COUNCILS

Municipal Councils	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Apac Municipal Council	18,338,173,261	14,087,524,128	14,453,665,020	3,884,508,241
Bugiri Municipal Council	6,458,064,392	5,273,805,835	5,281,658,659	1,176,405,733
Bushenyi-Ishaka Municipal Council	13,889,694,385	13,246,770,030	13,828,867,969	60,826,416
Busia Municipal Council	16,387,574,946	13,535,718,388	14,015,421,808	2,372,153,138
Entebbe Municipal Council	26,618,019,709	20,580,406,426	20,580,406,426	6,037,613,283
Ibanda Municipal Council	17,024,624,523	16,341,657,457	16,346,333,967	678,290,556
Iganga Municipal Council	7,923,126,023	6,282,734,378	6,877,950,274	1,045,175,749
Kabale Municipal Council	34,403,441,811	23,392,453,978	25,582,993,164	8,820,448,647
Kamuli Municipal Council	23,149,559,112	18,637,680,490	19,909,177,446	3,240,381,666
Kapchorwa Municipal Council	11,419,300,300	10,815,186,946	10,815,186,946	604,113,354
Kasese Municipal Council	47,122,853,288	34,483,709,947	35,156,930,373	11,965,922,915
Kira Municipal Council	31,333,519,352	23,217,451,644	29,957,038,959	1,376,480,393
Kisoro Municipal Council	8,043,615,391	4,400,794,204	4,400,027,458	3,643,587,933
Kitgum Municipal Council	27,191,681,549	24,174,470,734	31,407,055,429	(4,215,373,880)
Koboko Municipal Council	10,781,093,765	13,318,233,915	13,965,656,434	(3,184,562,669)
Kotido Municipal Council	8,504,695,386	7,256,650,830	7,256,343,602	1,248,351,784
Kumi Municipal Council	10,000,711,611	9,318,136,687	9,318,136,687	682,574,924
Lugazi Municipal Council	25,350,571,049	24,298,175,163	24,298,490,163	1,052,080,886
Makindye Ssabagabo Municipal Council	21,258,540,577	20,577,341,465	20,579,389,496	679,151,081
Masindi Municipal Council	14,324,871,056	14,303,354,956	14,303,646,581	21,224,475
Mityana Municipal Council	12,346,392,956	11,760,783,774	11,866,065,361	480,327,595
Moroto Municipal Council	11,421,827,906	8,261,795,802	8,258,411,727	3,163,416,179
Mubende Municipal Council	33,160,194,636	31,297,130,030	33,284,217,651	(124,023,015)
Mukono Municipal Council	24,041,496,770	23,053,832,621	24,132,861,789	(91,365,019)
Nansana Municipal Council	32,597,347,785	29,960,457,119	32,124,629,462	472,718,323
Nebbi Municipal Council	7,653,506,646	5,138,346,818	5,569,527,872	2,083,978,774
Njeru Municipal Council	14,723,618,708	13,383,879,755	13,384,711,976	1,338,906,732
Ntungamo Municipal Council	11,701,978,425	7,508,016,813	7,508,016,813	4,193,961,612
Rukungiri Municipal Council	12,133,072,575	11,616,538,474	11,677,615,258	455,457,317
Sheema Municipal Council	18,427,773,039	16,847,973,360	16,973,114,049	1,454,658,990
Tororo Municipal Council	27,660,828,402	23,589,698,384	23,589,698,384	4,071,130,018
Sub-Total MCs	**585,391,769,334**	**499,960,710,551**	**526,703,247,203**	**58,688,522,131**

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Governments	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Abim District Local Government	23,502,496,764	22,344,878,801	22,345,755,651	1,156,741,113
Adjumani District Local Government	55,904,932,095	57,854,315,826	56,677,676,430	(772,744,335)
Agago District Local Government	43,906,190,635	36,934,989,218	36,937,764,441	6,968,426,194
Alebtong District Local Government	32,563,893,932	31,341,856,674	31,342,066,999	1,221,826,933
Amolatar District Local Government	31,129,221,269	27,777,513,796	28,387,415,750	2,741,805,519
Amudat District Local Government	15,210,382,517	13,977,676,168	13,979,984,235	1,230,398,282
Amuria District Local Government	41,565,209,336	30,782,885,141	31,558,801,497	10,006,407,839
Amuru District Local Government	29,235,175,384	26,420,094,093	26,422,265,360	2,812,910,024
Apac District Local Government	28,649,164,037	27,652,373,105	27,696,871,553	952,292,484
Arua District Local Government	29,125,807,089	31,733,341,933	31,710,069,612	(2,584,262,523)
Budaka District Local Government	44,431,891,471	34,254,082,353	34,253,256,123	10,178,635,348
Bududa District Local Government	39,890,724,489	34,108,952,095	34,108,952,095	5,781,772,394
Bugiri District Local Government	43,535,460,093	40,517,798,773	40,517,798,773	3,017,661,320
Bugweri District Local Government	27,832,269,594	23,501,936,665	23,503,272,822	4,328,996,772
Buhweju District Local Government	24,465,843,974	22,820,506,581	22,821,237,331	1,644,606,643
Buikwe District Local Government	31,999,972,429	31,265,577,097	33,158,407,823	(1,158,435,394)
Bukedea District Local Government	40,966,815,457	37,421,944,394	37,421,944,394	3,544,871,063
Bukomansimbi District Local Government	22,551,011,896	22,723,687,349	23,628,940,444	(1,077,928,548)
Bukwo District Local Government	32,261,818,945	29,234,454,916	24,551,898,743	7,709,920,202
Bulambuli District Local Government	35,820,749,025	35,503,448,595	35,510,389,811	310,359,214
Bulisa District Local Government	19,709,473,298	16,913,256,422	16,914,789,722	2,794,683,576
Bundibugyo District Local Government	45,399,468,232	43,403,841,099	43,407,970,599	1,991,497,633
Bunyagabu District Local Government	39,595,665,929	25,234,623,041	25,236,345,766	14,359,320,163
Bushenyi District Local Government	43,424,843,974	39,935,138,410	42,214,844,653	1,209,999,321
Busia District Local Government	48,275,743,703	44,410,526,286	44,417,646,712	3,858,096,991
Butaleja District Local Government	42,505,325,441	39,664,310,191	39,667,663,066	2,837,662,375
Butambala District Local Government	36,495,427,779	33,836,549,661	34,604,256,120	1,891,171,659
Butebo District Local Government	23,265,324,445	19,300,575,495	19,797,355,816	3,467,968,629
Buvuma District Local Government	23,338,153,189	23,389,221,564	23,390,626,828	(52,473,639)
Buyende District Local Government	28,670,496,953	27,096,841,118	27,096,961,115	1,573,535,838
Dokolo District Local Government	32,849,029,277	27,631,634,742	30,019,831,999	2,829,197,278
Gomba District Local Government	25,942,481,902	23,954,151,904	25,165,036,528	777,445,374
Gulu District Local Government	32,946,224,021	23,085,692,283	24,778,378,195	8,167,845,826
Hoima District Local Government	31,354,367,389	24,827,344,531	26,441,828,913	4,912,538,476
Ibanda District Local Government	32,803,854,188	30,950,384,333	30,889,274,073	1,914,580,115
Iganga District Local Government	50,631,679,167	47,988,284,629	47,991,048,026	2,640,631,141
Isingiro District Local Government	79,265,226,440	80,820,317,034	80,917,488,902	(1,652,262,462)
Jinja District Local Government	51,895,427,438	46,622,907,309	48,983,980,026	2,911,447,412
Kaabong District Local Government	20,267,686,925	20,570,339,593	20,565,624,932	(297,938,007)
Kabale District Local Government	50,006,699,237	47,271,665,560	47,151,469,900	2,855,229,337
Kabarole District Local Government	31,078,336,360	26,958,819,975	26,962,066,423	4,116,269,937
Kaberamaido District Local Government	22,477,018,667	22,491,695,754	21,951,149,137	525,869,530

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Governments	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Kagadi District Local Government	46,550,853,374	39,236,636,130	41,895,289,559	4,655,563,815
Kakumiro District Local Government	37,462,264,226	35,403,371,654	35,405,566,655	2,056,697,571
Kalaki District Local Government	20,269,867,806	15,418,711,469	15,418,711,469	4,851,156,337
Kalangala District Local Government	20,385,839,791	19,461,968,894	17,805,731,355	2,580,108,436
Kaliro District Local Government	39,301,820,636	36,437,119,713	36,971,250,938	2,330,569,698
Kalungu District Local Government	32,756,939,122	29,944,003,900	30,816,761,835	1,940,177,287
Kamuli District Local Government	66,765,201,675	64,389,775,033	64,036,779,770	2,728,421,905
Kamwenge District Local Government	56,117,139,762	55,444,733,126	55,446,171,054	670,968,708
Kanungu District Local Government	53,478,252,651	54,163,384,633	54,165,963,038	(687,710,387)
Kapchorwa District Local Government	26,431,997,017	24,861,420,056	24,352,064,293	2,079,932,724
Kapelebyong District Local Government	18,454,077,945	14,155,431,417	14,070,033,951	4,384,043,994
Karenga District Local Government	16,258,975,219	10,017,091,091	9,902,763,128	6,356,212,091
Kasanda District Local Government	33,513,040,720	30,503,659,694	31,084,955,247	2,428,085,473
Kasese District Local Government	101,066,170,452	90,645,317,543	90,035,545,899	11,030,624,553
Katakwi District Local Government	40,631,888,579	37,503,153,204	37,870,185,786	2,761,702,793
Kayunga District Local Government	54,791,453,721	50,879,675,828	52,035,196,270	2,756,257,451
Kazo District Local Government	24,871,400,607	21,151,940,104	21,154,907,760	3,716,492,847
Kibale District Local Government	35,377,781,427	32,479,837,324	31,309,028,471	4,068,752,956
Kiboga District Local Government	36,485,753,857	32,280,766,028	32,322,335,273	4,163,418,584
Kibuku District Local Government	31,046,074,852	28,927,703,686	29,807,276,812	1,238,798,040
Kikuube District Local Government	26,817,515,325	22,491,729,612	22,491,729,612	4,325,785,713
Kiruhura District Local Government	28,519,324,111	27,291,601,177	27,294,657,802	1,224,666,309
Kiryandongo District Local Government	44,859,913,474	37,326,017,778	37,326,017,778	7,533,895,696
Kisoro District Local Government	52,793,478,206	52,333,823,162	52,336,234,047	457,244,159
Kitagwenda District Local Government	25,895,591,447	19,837,264,979	19,851,253,745	6,044,337,702
Kitgum District Local Government	36,572,877,236	34,642,382,279	34,534,412,996	2,038,464,240
Koboko District Local Government	27,063,955,275	24,762,095,562	24,762,095,562	2,301,859,713
Kole District Local Government	33,471,771,642	32,530,558,252	32,406,262,790	1,065,508,852
Kotido District Local Government	17,299,308,197	16,331,191,320	16,865,324,873	433,983,324
Kumi District Local Government	39,297,110,296	35,574,944,585	36,593,531,307	2,703,578,989
Kwania District Local Government	27,318,390,502	23,363,052,548	23,345,452,548	3,972,937,954
Kween District Local Government	29,442,468,154	28,944,414,698	29,815,896,826	(373,428,672)
Kyankwanzi District Local Government	32,349,357,980	30,567,019,988	32,783,738,923	(434,380,943)
Kyegegwa District Local Government	39,931,911,014	43,764,363,212	43,775,474,747	(3,843,563,733)
Kyenjojo District Local Government	53,533,607,002	49,191,867,994	49,479,364,895	4,054,242,107
Kyotera District Local Government	48,317,279,339	40,600,612,115	40,600,612,115	7,716,667,224
Lamwo District Local Government	28,944,233,625	33,122,894,614	33,057,358,462	(4,113,124,837)
Lira District Local Government	40,380,827,346	33,669,662,215	33,678,343,874	6,702,483,472
Luuka District Local Government	34,497,929,405	31,609,569,101	31,610,241,085	2,887,688,320
Luwero District Local Government	81,941,325,496	76,412,466,320	78,306,360,129	3,634,965,367
Lwengo District Local Government	37,693,716,703	36,575,020,480	37,849,262,255	(155,545,552)
Lyantonde District Local Government	22,797,144,059	21,639,906,384	21,942,027,266	855,116,793
Madi-Okollo District Local Government	26,219,140,406	23,005,182,246	23,005,182,246	3,213,958,160
Manafwa District Local Government	42,819,366,833	34,014,179,941	33,998,129,991	8,821,236,842

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Governments	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Maracha-Terego District Local Government	33,252,033,900	32,103,234,260	32,090,867,410	1,161,166,490
Masaka District Local Government	21,625,804,052	19,792,446,166	20,469,945,463	1,155,858,589
Masindi District Local Government	33,124,894,072	29,635,781,751	29,637,576,808	3,487,317,264
Mayuge District Local Government	60,350,414,182	53,643,868,779	53,645,806,501	6,704,607,681
Mbale District Local Government	52,573,666,260	51,498,399,508	48,498,272,348	4,075,393,912
Mbarara District Local Government	38,505,610,654	35,876,985,877	36,603,464,197	1,902,146,457
Mitooma District Local Government	49,334,933,051	46,204,241,978	49,908,036,565	(573,103,514)
Mityana District Local Government	39,225,476,321	39,034,925,200	39,984,709,138	(759,232,817)
Moroto District Local Government	18,207,782,713	19,111,012,630	18,582,023,031	(374,240,318)
Moyo District Local Government	29,886,896,591	31,318,550,762	30,980,606,217	(1,093,709,626)
Mpigi District Local Government	41,526,768,490	38,381,357,570	39,859,387,702	1,667,380,788
Mubende District Local Government	41,103,801,828	35,267,009,113	39,766,720,133	1,337,081,695
Mukono District Local Government	67,608,837,835	64,309,360,554	67,192,474,724	416,363,111
Nabilatuk District Local Government	10,339,784,201	9,271,119,426	9,271,119,426	1,068,664,775
Nakapiripiri District Local Government	17,338,376,683	16,002,982,806	16,002,982,806	1,335,393,877
Nakaseke District Local Government	48,006,669,096	43,945,980,316	44,854,092,821	3,152,576,275
Nakasongola District Local Government	35,057,771,614	32,623,688,522	33,741,089,908	1,316,681,706
Namayingo District Local Government	33,986,139,910	35,337,157,577	35,337,207,087	(1,351,067,177)
Namisindwa District Local Government	34,606,014,290	33,749,583,688	33,749,553,688	856,460,602
Namutamba District Local Government	39,480,859,050	36,637,476,282	36,638,344,632	2,842,514,418
Napak District Local Government	42,068,718,151	18,866,598,048	19,305,841,201	22,762,876,950
Nebbi District Local Government	47,439,756,928	41,427,190,377	42,649,920,584	4,789,836,344
Ngora District Local Government	37,491,876,902	25,235,022,364	25,235,980,339	12,255,896,563
Ntoroko District Local Government	26,137,851,970	20,151,672,328	20,152,647,904	5,985,204,066
Ntungamo District Local Government	69,406,957,767	65,471,215,423	65,471,215,423	3,935,742,344
Nwoya District Local Government	29,271,192,759	28,549,028,125	28,551,952,294	719,240,465
Obongi District Local Government	18,700,495,643	14,106,536,496	14,106,536,496	4,593,959,147
Omoro District Local Government	30,202,608,558	30,655,201,828	30,655,201,828	(452,593,270)
Otuke District Local Government	24,832,181,571	22,340,835,241	22,942,092,321	1,890,089,250
Oyam District Local Government	55,584,909,043	49,754,256,980	49,756,819,742	5,828,089,301
Pader District Local Government	40,610,717,309	38,523,275,193	38,040,421,969	2,570,295,340
Pakwach District Local Government	35,097,845,752	25,660,432,739	25,662,841,016	9,435,004,736
Pallisa District Local Government	44,391,705,240	42,017,574,760	42,980,923,492	1,410,781,748
Rakai District Local Government	53,880,544,148	50,366,889,023	51,821,839,313	2,058,704,835
Rubanda District Local Government	43,600,960,498	44,394,983,666	44,396,839,420	(795,878,922)
Rubirizi District Local Government	28,644,230,234	26,468,984,511	26,472,748,172	2,171,482,062
Rukiga District Local Government	25,911,534,619	24,927,864,170	24,929,121,645	982,412,974
Rukungiri District Local Government	57,172,189,478	54,507,616,028	56,119,237,365	1,052,952,113
Rwampara District Local Government	25,282,904,463	23,286,161,921	23,197,717,868	2,085,186,595
Sembabule District Local Government	39,431,794,066	35,637,555,780	37,163,471,754	2,268,322,312
Serere District Local Government	39,555,806,947	38,646,517,886	39,574,412,879	(18,605,932)
Sheema District Local Government	45,638,887,127	38,006,356,313	38,014,628,884	7,624,258,243
Sironko District Local Government	46,356,427,398	45,126,881,841	45,129,133,216	1,227,294,182
Soroti District Local Government	38,714,054,058	30,053,393,954	30,857,090,470	7,856,963,588

Statement of Appropriation by vote for the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Governments	Approved estimates Shs.	Actual released Shs.	Actual expenditure Shs.	Variance Shs.
Terego District Local Government	35,814,919,947	33,747,650,375	33,749,112,486	2,065,807,461
Tororo District Local Government	79,243,846,284	66,427,108,536	68,942,678,106	10,301,168,178
Wakiso District Local Government	117,329,938,825	101,430,005,046	104,240,248,725	13,089,690,100
Yumbe District Local Government	72,635,429,810	77,923,775,745	77,927,551,435	(5,292,121,625)
Zombo District Local Government	30,180,476,126	28,980,461,141	28,980,461,141	1,200,014,985
Sub-Total DLGs	**5,183,314,617,311**	**4,733,874,164,199**	**4,782,558,859,868**	**400,755,757,443**

Statement of Contingent Liabilities as at 30 June 2023 [As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	Total Contingent Liabilities 30 June 2023 Shs.	Total Contingent Liabilities 30 June 2022 Shs.
Office of the President	-	-	-	-	-
State House	-	-	-	-	-
Office of the Prime Minister	-	-	897,190,373	897,190,373	**897,190,373**
Ministry of Defence and Veteran Affairs	-	-	34,871,775,406	34,871,775,406	**72,938,500,673**
Ministry of Public Service	-	-	-	-	-
Ministry of Foreign Affairs	-	-	-	-	-
Ministry of Justice and Constitutional Affairs	3,007,480,000,000	-	175,148,399,118	3,182,628,399,118	**3,182,327,965,187**
Ministry of Finance, Planning and Economic Development	-	-	-	-	**599,990,000**
Ministry of Internal Affairs	-	-	-	-	-
Ministry of Agriculture, Animal Industry and Fisheries	-	-	2,369,167,523	2,369,167,523	**2,369,167,523**
Ministry of Local Government	-	-	-	-	-
Ministry of Lands, Housing and Urban Development	-	-	-	-	-
Ministry of Education and Sports	5,727,396,206	-	-	5,727,396,206	**5,727,396,206**
Ministry of Health	46,206,660,072	-	74,622,918,743	120,829,578,815	**120,829,578,815**
Ministry of Trade, Industry and Co-Operatives	-	-	594,083,296,267	594,083,296,267	-
Ministry of Works, and Transport	-	-	-	-	-
Ministry of Energy and Mineral Development	425,644,939,819	-	110,491,377,372	536,136,317,191	**516,136,317,191**
Ministry of Gender, Labour and Social Development	-	-	-	-	-
Ministry of Water and Environment	-	-	-	-	-
Ministry of Information Communication Technology and National Guidance	-	-	-	-	-
Ministry of East African Community Affairs	-	-	-	-	-
Ministry of Tourism, Wildlife and Antiquities	-	-	-	-	-
Ministry of Kampala Capital City and Metropolitan Affairs	-	-	-	-	-
Total at 30 June 2023	**3,485,058,996,097**	**-**	**992,484,124,802**	**4,477,543,120,899**	**3,901,826,105,968**
Total at 30 June 2022	3,518,268,132,139	-	383,557,973,829	3,901,826,105,968	

Statement of Contingent Liabilities as at 30 June 2023
[As submitted and signed by Accounting Officers]

AGENCIES

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	**Total Contingent Liabilities 30 June 2023**	30 June 2022
Courts of Judicature	-	-	-	-	-
Electoral Commission (EC)	-	-	-	-	-
Inspector General of Government's Office (IGG)	-	-	-	-	-
Parliamentary Commission (PARL)	-	-	-	-	-
Uganda Law Reform Commission (ULRC)	-	-	-	-	-
Uganda Human Rights Commission (UHRC)	-	-	-	-	-
Uganda Aids Commission (UAC)	-	-	-	-	-
National Planning Authority (NPA)	-	-	-	-	-
Uganda National Meteorological Authority (UNMA)	-	-	-	-	-
Uganda Industrial Research Institute (UIRI)	82,239,068	-	-	82,239,068	82,239,068
National Curriculum Development Centre (NCDC)	-	-	-	-	-
Directorate of Ethics and Integrity (DEI)	-	-	-	-	-
Uganda National Roads Authority (UNRA)	236,740,414,644	-	-	236,740,414,644	236,740,414,644
Uganda Cancer Institute (UCI)	-	-	-	-	-
Uganda Heart Institute (UHI)	-	-	-	-	-
Uganda National Medical Stores	-	-	-	-	-
Uganda Tourism Board (UTB)	-	-	4,510,835,292	4,510,835,292	-
Uganda Road Fund (RF)	-	-	-	-	-
Uganda Registration Services Bureau (URSB)	-	-	-	-	-
National Citizenship and Immigration Control (NCIC)	-	-	-	-	-
Diary Development Authority (DDA)	-	-	-	-	-
Kampala Capital City Authority(KCCA)	-	-	-	-	-
National Lotteries and Gaming Regulatory Board	23,857,905,000	-	-	23,857,905,000	23,857,905,000
Equal Opportunities Commission	-	-	590,250,062	590,250,062	-
National Animal Genetic Resource Centre and Data Bank	-	-	-	-	-
National Information Technology Authority	-	-	-	-	-
Uganda Virus Research Institute (UVRI)	-	-	-	-	-
Uganda National Examination Board (UNEB)	-	-	-	-	-
Financial Intelligence Authority (FIA)	-	-	-	-	-
Treasury Operations (TOP)	-	-	-	-	-
Office of the Auditor General (OAG)	-	-	-	-	-
Education Service Commission (ESC)	-	-	-	-	-
Directorate of Public Prosecutions (DPP)	-	-	-	-	-
Health Service Commission (HSC)	-	-	-	-	-
Directorate of Government Analytical Laboratory (DGAL)	-	-	-	-	-
Uganda Export Promotion Board (UEPB)	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2023 [As submitted and signed by Accounting Officers]

Agency	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	**Total Contingent Liabilities 30 June 2023**	30 June 2022
National Identification and Registration Authority (NIRA)	-	-	33,500,000,000	33,500,000,000	-
Uganda Investment Authority (UIA)	-	-	-	-	-
Petroleum Authority of Uganda (PAU)	-	-	-	-	-
Capital Markets Authority	135,040,000	-	-	135,040,000	135,040,000
Uganda Revenue Authority (URA)	-	-	-	-	-
National Agricultural Research Organization (NARO)	-	-	-	-	-
Uganda Bureau of Statistics (UBOS)	-	-	-	-	-
Uganda Police Force	80,943,000,000	-	3,974,876,866	84,917,876,866	80,943,000,000
Uganda Prisons Services	160,547,022	-	-	160,547,022	160,547,022
Public Service Commission (PSC)	-	-	-	-	-
Local Government Finance Commission (LGFC)	-	-	-	-	-
Judicial Service Commission (JSC)	-	-	-	-	-
National Population Council	-	-	-	-	-
National Environment Management Authority (NEMA)	-	-	-	-	-
Uganda Blood Transfusion Services (UBTS)	-	-	-	-	-
National Agricultural Advisory Services (NAADS)	15,259,373,838	-	-	15,259,373,838	15,259,373,838
Public Procurement and Disposal of Public Assets Authority	-	-	-	-	-
Uganda National Bureau of Standards (UNBS)	-	-	236,425,000	236,425,000	-
Cotton Development Organization	-	-	-	-	-
Uganda Land Commission (ULC)	5,689,835,602	-	-	5,689,835,602	5,689,835,602
National Forestry Authority (NFA)	-	-	-	-	-
Internal Security Organization (ISO)	-	-	-	-	-
External Security Organization (ESO)	-	-	-	-	-
Uganda Coffee Development Authority (UCDA)	2,632,319,640	-	6,562,829,698	9,195,149,338	2,632,319,640
Uganda Free Zones Authority	-	-	-	-	-
Uganda Microfinance Regulatory Authority	-	-	-	-	-
Uganda Retirements Benefits Regulatory Authority	-	-	-	-	-
National Council for Higher Education	-	-	-	-	-
Uganda Business and Technical Examination Board	-	-	-	-	-
National Council of Sports	-	-	-	-	-
Total for 30 June 2023	365,500,674,814	-	49,375,216,918	414,875,891,732	2,025,152,831,193
Total for 30 June 2022	344,195,497,342	1,444,039,181,654	236,918,152,197	2,025,152,831,193	

Statement of Contingent Liabilities as at 30 June 2023
[As submitted and signed by Accounting Officers]

PUSATIs

Universities	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	Total Contingent Liabilities 30 June 2023 Shs.	Total Contingent Liabilities 30 June 2022 Shs.
Makerere University			-	-	-
Mbarara University	-	-	-	-	-
Makerere University Business School	2,966,911,203	-	-	2,966,911,203	-
Kyambogo University	-	-	-	-	-
Busitema University	-	-	-	-	-
Muni University	446,263,867	-	-	446,263,867	-
Kabale University	-	-	-	-	-
Soroti University	-	-	-	-	-
Gulu University	-	-	-	-	-
Lira University	-	-	-	-	-
Law Development Centre.	-	-	-	-	-
Uganda Management Institute	-	-	-	-	-
Mountains of the Moon University	-	-	-	-	-
Total at 30 June 2023	**3,413,175,070**	**-**	**-**	**3,413,175,070**	-
Total at 30 June 2022	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2023
[As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral hospital	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	**Total Contingent Liabilities 30 June 2023** Shs.	30 June 2022 Shs.
Mulago Hospital Complex	-	-	-	-	
Butabika Hospital	-	-	-	-	-
Arua Hospital	-	-	-	-	-
Fort Portal Hospital	-	-	-	-	-
Gulu Hospital	-	-	-	-	-
Hoima Hospital	-	-	-	-	-
Jinja Hospital	-	-	-	-	-
Kabale Hospital	-	-	-	-	-
Masaka Hospital	-	-	-	-	-
Mbale Hospital	-	-	-	-	-
Soroti Hospital	-	-	-	-	-
Lira Hospital	-	-	-	-	-
Mbarara Regional Hospital	-	-	-	-	-
Mubende Reg Hospital	-	-	-	-	-
Moroto Reg Hospital	-	-	-	-	-
Naguru Hospital;	-	-	-	-	-
Kiruddu Referral Hospital	-	-	-	-	-
Kawempe Referral Hospital	-	-	-	-	-
Entebbe Regional Referral Hospital	-	-	-	-	-
Mulago Specialized Women and Neonatal Hospital	-	-	-	-	-
At 30 June 2023	-	-	-	-	
At 30 June 2022	-	-			

Statement of Contingent Liabilities as at 30 June 2023
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Embassy/Mission	Legal Proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	**Total Contingent Liabilities 30 June 2023 Shs.**	30 June 2022 Shs.
Uganda Mission at the United Nations, New York	-	-	-	-	-
Uganda High Commission in the United Kingdom	-	-	-	-	-
Uganda High Commission in Canada, Ottawa	-	-	-	-	-
Uganda High Commission in India, New Delhi	-	-	-	-	-
Uganda High Commission in Kenya, Nairobi	-	-	-	-	-
Uganda High Commission in Tanzania, Dar es Salaam	-	-	-	-	-
Uganda High Commission in Nigeria, Abuja	-	-	-	-	-
Uganda High Commission in South Africa , Pretoria	-	-	-	-	-
Uganda High Commission in Rwanda, Kigali	-	-	-	-	-
Uganda Embassy in the United States, Washington	-	-	-	-	-
Uganda Embassy in Egypt, Cairo	-	-	-	-	-
Uganda Embassy in Ethiopia, Addis Ababa	-	-	-	-	-
Uganda Embassy in China, Beijing	-	-	-	-	-
Uganda Embassy in Switzerland, Geneva	-	-	-	-	-
Uganda Embassy in Japan, Tokyo	-	-	-	-	-
Uganda Embassy in Saudi Arabia, Riyadh	-	-	-	-	-
Uganda Embassy in Denmark, Copenhagen	-	-	-	-	-
Uganda Embassy in Belgium, Brussels	-	-	-	-	-
Uganda Embassy in Italy, Rome	193,894,719	-	-	**193,894,719**	48,651,316
Uganda Embassy in DRC, Kinshasa	-	-	-	-	-
Uganda Embassy in Sudan, Khartoum	-	-	-	-	-
Uganda Embassy in France, Paris	-	-	-	-	-
Uganda Embassy in Germany, Berlin	-	-	-	-	-
Uganda Embassy in Iran, Tehran	-	-	-	-	-
Uganda Embassy in Russia, Moscow	-	-	-	-	-
Uganda Embassy in Australia, Canberra	-	-	-	-	-
Uganda Embassy in South Sudan, Juba	-	-	-	-	-
Uganda Embassy in United Arab Emirates,	-	-	-	-	-
Uganda Embassy in Burundi, Bujumbura	-	-	-	-	-
Uganda Consulate in China, Guangzhou	-	-	-	-	-
Uganda Embassy in Turkey, Ankara	-	-	-	-	-
Uganda Embassy in Somalia, Mogadishu	-	-	-	-	-
Uganda Embassy in Malaysia, Kuala Lumpur	-	-	-	-	-
Uganda Consulate in Kenya, Mombasa	-	-	-	-	-
Uganda Embassy in Algeria, Algiers	-	-	-	-	-
Uganda Embassy in Qatar, Doha	-	-	-	-	-
At 30 June 2023	193,894,719	-	-	**193,894,719**	48,651,316
At 30 June 2022	48,651,316	-	-	48,651,316	

Statement of Contingent Liabilities as at 30 June 2023
[As submitted and signed by Accounting Officers]

CITIES

City	Legal proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	**Total Contingent Liabilities 30 June 2023** Shs.	30 June 2022 Shs.
Arua City Council	-	-	-	-	
Fortportal City Council	-	-	-	-	-
Gulu City Council	-	-	-	-	-
Hoima City Council	46,525,000	-	-	46,525,000	-
Jinja City Council	-	-	-	-	-
Lira City Council	-	-	-	-	-
Masaka City Council	824,000,000	-	-	824,000,000	-
Mbale City Council	-	-	-	-	-
Mbarara City Council	-	-	-	-	-
Soroti City Council	-	-	-	-	-
At 30 June 2023	870,525,000	-	-	870,525,000	-
At 30 June 2022	**870,525,000**	-	-	**870,525,000**	-

Statement of Contingent Liabilities as at 30 June 2023 [As submitted and signed by Accounting Officers]

MUNICIPAL COUNCILS

Municipal Council	Legal Proceedings Shs.	Guarantees & indemnities Shs.	Other Contingent Liabilities Shs.	**Total Contingent Liabilities 30 June 2023 Shs.**	30 June 2022 Shs.
Apac Municipal Council	-	-	-	-	-
Bugiri Municipal Council	-	-	-	-	-
Bushenyi-Ishaka Municipal Council	-	-	-	-	-
Busia Municipal Council	-	-	-	-	-
Entebbe Municipal Council	-	-	-	-	-
Ibanda Municipal Council	-	-	-	-	-
Iganga Municipal Council	-	-	-	-	-
Kabale Municipal Council	-	-	-	-	-
Kamuli Municipal Council	-	-	-	-	-
Kapchorwa Municipal Council	-	-	30,062,497	30,062,497	30,062,497
Kasese Municipal Council	-	-	-	-	-
Kira Municipal Council	-	-	-	-	-
Kisoro Municipal Council	-	-	-	-	-
Kitgum Municipal Council	-	-	-	-	-
Koboko Municipal Council	-	-	-	-	-
Kotido Municipal Council	-	-	-	-	-
Kumi Municipal Council	-	-	-	-	-
Lugazi Municipal Council	-	-	-	-	-
Makindye Ssabagabo Municipal Council	-	-	-	-	-
Masindi Municipal Council	-	-	-	-	-
Mityana Municipal Council	-	-	-	-	-
Moroto Municipal Council	36,500,000	-	-	36,500,000	36,500,000
Mubende Municipal Council	-	-	-	-	-
Mukono Municipal Council	-	-	-	-	-
Nansana Municipal Council	-	-	-	-	-
Nebbi Municipal Council	-	-	-	-	30,000,000
Njeru Municipal Council	-	-	-	-	-
Ntungamo Municipal Council	-	-	-	-	-
Rukungiri Municipal Council	-	-	-	-	-
Sheema Municipal Council	-	-	-	-	-
Tororo Municipal Council	-	-	-	-	-
At 30 June 2023	**36,500,000**	**-**	**30,062,497**	**66,562,497**	**96,562,497**
At 30 June 2022	66,500,000	-	30,062,497	96,562,497	

Statement of Contingent Liabilities as at 30 June 2023 [As submitted and signed by Accounting Officers]

DISTRICT LOCAL GOVERNMENTS

District Local Government	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities 30 June 2023	30 June 2022
Abim District Local Government	-	-	-	-	-
Adjumani District Local Government	-	-	-	-	-
Agago District Local Government	-	-	-	-	-
Alebtong District Local Government	275,726,815	-	-	275,726,815	275,726,815
Amolatar District Local Government	-	-	-	-	-
Amudat District Local Government	-	-	-	-	-
Amuria District Local Government	-	-	-	-	-
Amuru District Local Government	-	-	-	-	-
Apac District Local Government	305,000,000	-	880,000,000	1,185,000,000	1,185,000,000
Arua District Local Government	-	-	-	-	-
Budaka District Local Government	-	-	-	-	-
Bududa District Local Government	-	-	-	-	-
Bugiri District Local Government	-	-	-	-	-
Bugweri District Local Government	-	-	-	-	-
Buhweju District Local Government	-	-	-	-	-
Buikwe District Local Government	-	-	-	-	-
Bukedea District Local Government	-	-	-	-	-
Bukomansimbi District Local Government	-	-	-	-	-
Bukwo District Local Government	-	-	-	-	-
Bulambuli District Local Government	-	-	-	-	-
Bulisa District Local Government	-	-	-	-	-
Bundibugyo District Local Government	-	-	-	-	-
Bunyagabu District Local Government	-	-	-	-	-
Bushenyi District Local Government	-	-	-	-	-
Busia District Local Government	-	-	-	-	-
Butaleja District Local Government	-	-	-	-	-
Butambala District Local Government	-	-	-	-	-
Butebo District Local Government	-	-	-	-	-
Buvuma District Local Government	-	-	-	-	-
Buyende District Local Government	-	-	-	-	-
Dokolo District Local Government	-	-	-	-	-
Gomba District Local Government	-	-	-	-	-
Gulu District Local Government	-	-	-	-	-
Hoima District Local Government	-	-	-	-	-
Ibanda District Local Government	-	-	-	-	-
Iganga District Local Government	3,832,685,041	-	-	3,832,685,041	3,832,685,041
Isingiro District Local Government	-	-	-	-	150,000,000
Jinja District Local Government	-	-	-	-	-
Kaabong District Local Government	-	-	-	-	-
Kabale District Local Government	-	-	-	-	-
Kabarole District Local Government	37,000,000	-	-	37,000,000	-
Kaberamaido District Local Government	-	-	-	-	-
Kagadi District Local Government	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2023
[As submitted and signed by Accounting Officers]

District Local Government	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	**Total Contingent Liabilities 30 June 2023**	30 June 2022
Kakumiro District Local Government	-	-	-	-	-
Kalaki District Local Government	-	-	-	-	-
Kalangala District Local Government	-	-	-	-	-
Kaliro District Local Government	-	-	-	-	-
Kalungu District Local Government	-	-	-	-	-
Kamuli District Local Government	-	-	-	-	-
Kamwenge District Local Government	-	-	-	-	-
Kanungu District Local Government	-	-	-	-	-
Kapchorwa District Local Government	-	-	-	-	-
Kapelebyong District Local Government	10,000,000	-	-	10,000,000	-
Karenga District Local Government	-	-	-	-	-
Kasanda District Local Government	-	-	-	-	-
Kasese District Local Government	-	-	-	-	-
Katakwi District Local Government	-	-	-	-	-
Kayunga District Local Government	-	-	-	-	51,547,700
Kazo District Local Government	-	-	-	-	-
Kibale District Local Government	-	-	-	-	-
Kiboga District Local Government	-	-	-	-	-
Kibuku District Local Government	-	-	-	-	-
Kikuube District Local Government	-	-	-	-	-
Kiruhura District Local Government	-	-	-	-	-
Kiryandongo District Local Government	-	-	-	-	-
Kisoro District Local Government	-	-	-	-	-
Kitagwenda District Local Government	-	-	-	-	-
Kitgum District Local Government	500,000,000	-	30,923,392	530,923,392	530,923,392
Koboko District Local Government	-	-	-	-	-
Kole District Local Government	-	-	-	-	-
Kotido District Local Government	-	-	-	-	-
Kumi District Local Government	-	-	-	-	96,200,000
Kwania District Local Government	-	-	-	-	-
Kween District Local Government	-	-	-	-	-
Kyankwanzi District Local Government	-	-	-	-	-
Kyegegwa District Local Government	-	-	-	-	-
Kyenjojo District Local Government	276,549,100	-	-	276,549,100	356,549,100
Kyotera District Local Government	-	-	-	-	-
Lamwo District Local Government	-	-	-	-	-
Lira District Local Government	159,000,000	-	-	159,000,000	215,000,000
Luuka District Local Government	-	-	-	-	-
Luwero District Local Government	-	-	-	-	-
Lwengo District Local Government	-	-	-	-	-
Lyantonde District Local Government	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Government	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities 30 June 2023	30 June 2022
Madi-Okollo District Local Government	-	-	-	-	-
Manafwa District Local Government	-	-	-	-	-
Maracha-Terego District Local Government	-	-	-	-	-
Masaka District Local Government	-	-	-	-	-
Masindi District Local Government	-	-	-	-	-
Mayuge District Local Government	-	-	-	-	-
Mbale District Local Government	-	-	-	-	-
Mbarara District Local Government	-	-	-	-	-
Mitooma District Local Government	-	-	-	-	-
Mityana District Local Government	-	-	-	-	-
Moroto District Local Government	-	-	-	-	-
Moyo District Local Government	-	-	-	-	-
Mpigi District Local Government	-	-	-	-	-
Mubende District Local Government	-	-	-	-	-
Mukono District Local Government	-	-	-	-	-
Nabilatuk District Local Government	-	-	-	-	-
Nakapiripiri District Local Government	-	-	-	-	-
Nakaseke District Local Government	-	-	-	-	-
Nakasongola District Local Government	1,013,170,000	-	-	1,013,170,000	1,013,170,000
Namayingo District Local Government	-	-	-	-	-
Namisindwa District Local Government	-	-	-	-	-
Namutamba District Local Government	-	-	-	-	-
Napak District Local Government	-	-	-	-	-
Nebbi District Local Government	343,666,500	8,620,684	65,000,000	417,287,184	417,287,184
Ngora District Local Government	8,000,000	-	-	8,000,000	8,000,000
Ntoroko District Local Government	-	-	-	-	-
Ntungamo District Local Government	-	-	-	-	-
Nwoya District Local Government	-	-	-	-	-
Obongi District Local Government	-	-	-	-	-
Omoro District Local Government	4,500,000	-	-	4,500,000	-
Otuke District Local Government	-	-	-	-	-
Oyam District Local Government	-	-	-	-	-
Pader District Local Government	344,491,625	-	-	344,491,625	-
Pakwach District Local Government	-	-	-	-	-
Pallisa District Local Government	-	-	-	-	-
Rakai District Local Government	-	-	-	-	-
Rubanda District Local Government	-	-	-	-	-
Rubirizi District Local Government	-	-	-	-	-
Rukiga District Local Government	-	-	-	-	-
Rukungiri District Local Government	-	-	-	-	-

Statement of Contingent Liabilities as at 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Government	Legal proceedings	Guarantees & indemnities	Other Contingent Liabilities	Total Contingent Liabilities 30 June 2023	30 June 2022
Rwampara District Local Government	-	-	-	-	-
Sembabule District Local Government	-	-	-	-	-
Serere District Local Government	-	-	-	-	-
Sheema District Local Government	-	-	-	-	-
Sironko District Local Government	-	-	-	-	-
Soroti District Local Government	-	-	-	-	-
Terego District Local Government	-	-	-	-	-
Tororo District Local Government	-	-	-	-	-
Wakiso District Local Government	-	-	-	-	45,120,675
Yumbe District Local Government	-	-	-	-	-
Zombo District Local Government	-	-	-	-	-
Total for 30 June 2023	**7,109,789,081**	**8,620,684**	**975,923,392**	**8,094,333,157**	**8,177,209,907**
Total for 30 June 2022	7,266,286,515	-	910,923,392	8,177,209,907	

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023 [As submitted and signed by accounting Officers]

MINISTRIES

Ministry	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Office of the President	-	-	-	20,699,662,224	-	**20,699,662,224**
State House	-	-	-	-	-	-
Office of the Prime Minister	-	-	-	28,509,475,725	-	**28,509,475,725**
Ministry of Defence and Veteran Affairs	-	-	-	375,254,480,517	50,315,840,956	**425,570,321,473**
Ministry of Public Service	-	260,872,227	-	1,620,166,954	-	**1,881,039,181**
Ministry of Foreign Affairs	-	34,552,626,897	-	-	-	**34,552,626,897**
Ministry of Justice and Constitutional Affairs	-	-	-	-	-	-
Ministry of Finance, Planning and Economic Development	-	40,419,684,687	513,813,552,383	422,264,719,621	-	**976,497,956,691**
Ministry of Internal Affairs	-	-	-	2,422,050,682	-	**2,422,050,682**
Ministry of Agriculture, Animal Industry and Fisheries	-	9,868,035,428	-	571,505,704	-	**10,439,541,132**
Ministry of Local Government	-	-	-	21,683,201,358	-	**21,683,201,358**
Ministry of Lands, Housing and Urban Development	544,737,217	-	-	76,442,846,623	-	**76,987,583,840**
Ministry of Education and Sports	-	-	85,711,246,692	40,953,003,474	543,457,550	**127,207,707,716**
Ministry of Health	-	-	7,930,051,063	42,297,243,971	-	**50,227,295,034**
Ministry of Trade, Industry and Co-Operatives	-	-	-	3,335,190,744	-	**3,335,190,744**
Ministry of Works, and Transport	-	-	-	215,418,663,812	-	**215,418,663,812**
Ministry of Energy and Mineral Development	-	157,311,157	-	8,060,943,498	-	**8,218,254,655**
Ministry of Gender, Labour and Social Development	-	-	-	26,305,205,716	-	**26,305,205,716**
Ministry of Water and Environment	-	5,153,719,824	-	190,873,151,029	-	**196,026,870,853**
Ministry of Information Communication Technology and National Guidance	-	-	-	426,637,470	206,571,190,938	**206,997,828,408**
Ministry of East African Community Affairs	-	-	-	2,269,514	8,858,603,291	**8,860,872,805**
Ministry of Tourism, Wildlife and Antiquities	3,192,052,385	-	-	8,758,509	-	**3,200,810,894**
Ministry of Kampala Capital City and Metropolitan Affairs	-	-	-	-	-	-
Total 30 June 2023	**3,736,789,602**	**90,412,250,220**	**607,454,850,138**	**1,477,149,177,145**	**266,289,092,735**	**2,445,042,159,840**
Total 30 June 2022	18,725,697,572	96,993,224,709	655,303,876,756	1,139,247,988,327	410,259,961,640	2,320,530,749,004

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

AGENCIES

Agency	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Courts of Judicature	6,706,740,414	-	-	3,592,306,895	-	**10,299,047,309**
Electoral Commission (EC)	1,471,640,382	-	-	10,496,239,377	-	**11,967,879,759**
Inspector General of Government's Office (IGG)	-	-	-	-	-	-
Parliamentary Commission (PARL)	-	-	-	-	-	-
Uganda Law Reform Commission (ULRC)	-	-	-	9,490,788,016	-	**9,490,788,016**
Uganda Human Rights Commission (UHRC)	-	-	-	290,507,036	-	**290,507,036**
Uganda Aids Commission (UAC)	-	-	-	2,567,000	-	**2,567,000**
National Planning Authority (NPA)	-	-	-	-	-	-
Uganda National Meteorological Authority (UNMA)	-	-	-	-	-	-
Uganda Industrial Research Institute (UIRI)	-	-	-	-	-	-
National Curriculum Development Centre (NCDC)	-	-	-	1,115,235,222	-	**1,115,235,222**
Directorate of Ethics and Integrity (DEI)	-	-	-	297,840,453	-	**297,840,453**
Uganda National Roads Authority (UNRA)	-	-	-	621,496,151,367	-	**621,496,151,367**
Uganda Cancer Institute (UCI)	-	-	-	239,704,342	-	**239,704,342**
Uganda Heart Institute (UHI)	-	-	-	2,591,121,352	-	**2,591,121,352**
Uganda National Medical Stores	-	-	-	-	-	-
Uganda Tourism Board (UTB)	-	-	-	-	-	-
Uganda Road Fund (RF)	-	-	-	402,545,259	-	**402,545,259**
Uganda Registration Services Bureau (URSB)	4,905,813,439	-	-	1,335,884,961	-	**6,241,698,400**
National Citizenship and Immigration Control (NCIC)	-	-	-	252,758,771	211,506,435	**464,265,206**
Diary Development Authority (DDA)	-	-	82,921,528	334,596,579	-	**417,518,107**
Kampala Capital City Authority (KCCA)	-	-	-	103,858,390,777	-	**103,858,390,777**
National Lotteries and Gaming Regulatory Board	-	-	-	4,690,120,707	-	**4,690,120,707**
Equal Opportunities Commission	-	-	-	-	-	-
National Animal Genetic Resource Centre and Data Bank	-	-	-	1,245,681,394	-	**1,245,681,394**
National Information Technology Authority	-	174,451,158	-	40,021,298,015	-	**40,195,749,173**
Uganda Virus Research Institute (UVRI)	-	-	-	-	-	-
Uganda National Examination Board (UNEB)	-	-	-	-	-	-
Financial Intelligence Authority (FIA)	-	-	-	-	-	-
Treasury Operations (TOP)	-	-	1,109,489,212,727	4,880,250,969,902	-	**5,989,740,182,629**
Office of the Auditor General (OAG)	-	-	-	31,546,703	23,527,623	**55,074,326**
Education Service Commission (ESC)	-	-	-	38,756,400	-	**38,756,400**
Directorate of Public Prosecutions (DPP)	-	-	-	1,824,631,290	-	**1,824,631,290**
Health Service Commission (HSC)	-	-	-	-	-	-

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

Agency	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Directorate of Government Analytical Laboratory (DGAL)	-	-	-	-	-	-
Uganda Export Promotion Board (UEPB)	-	-	-	-	-	-
National Identification and Registration Authority (NIRA)	-	-	-	13,922,237	-	**13,922,237**
Uganda Investment Authority (UIA)	1,019,110,400	-	-	885,583,741	-	**1,904,694,141**
Petroleum Authority of Uganda (PAU)	-	-	-	-	-	-
Capital Markets Authority	5,295,941	-	-	-	-	**5,295,941**
Uganda Revenue Authority (URA)	-	-	-	-	-	-
National Agricultural Research Organization(NARO)	438,653,980	1,734,730,071	-	200,000	-	**2,173,584,051**
Uganda Bureau of Statistics (UBOS)	-	-	-	-	-	-
Uganda Police Force	46,590,950,349	-	11,658,941,677	50,721,087,509	-	**108,970,979,535**
Uganda Prisons Services	27,885,609,779	-	160,547,022	145,738,000,677	8,572,121,319	**182,356,278,797**
Public Service Commission (PSC)	-	-	-	1	-	**1**
Local Government Finance Commission(LGFC)	-	-	-	187,381,451	-	**187,381,451**
Judicial Service Commission(JSC)	-	-	-	137,771,615	-	**137,771,615**
National Population Council	-	-	-	13,986,315	-	**13,986,315**
National Environment Management Authority (NEMA)	-	-	-	354,207,064	-	**354,207,064**
Uganda Blood Transfusion Services (UBTS)	-	-	-	1,438,850,828	-	**1,438,850,828**
National Agricultural Advisory Services (NAADS)	-	-	-	2,079,331,940	-	**2,079,331,940**
Public Procurement and Disposal of Public Assets Authority	-	-	-	-	-	-
Uganda National Bureau of Standards (UNBS)	-	27,400,619	220,959,304	2,219,367,411	-	**2,467,727,334**
Cotton Development Organization	-	-	-	-	-	-
Uganda Land Commission (ULC)	-	-	-	130,291,000,510	-	**130,291,000,510**
National Forestry Authority(NFA)	-	-	-	-	-	-
Internal Security Organization (ISO)	-	-	-	11,441,386,288	2,515,960,486	**13,957,346,774**
External Security Organization (ESO)	-	-	-	18,360,314,172	-	**18,360,314,172**
Uganda Coffee Development Authority(UCDA)	-	-	-	38,662,919,199	-	**38,662,919,199**
Uganda Free Zones Authority	-	-	-	-	-	-
Uganda Microfinance Regulatory Authority	-	-	-	-	-	-
Uganda Retirements Benefits Regulatory Authority	-	-	-	-	-	-
National Council for Higher Education	-	-	-	4,302,000	-	**4,302,000**
Uganda Business and Technical Examination Board	-	-	-	2,135,333,060	-	**2,135,333,060**
National Council of Sports	-	-	-	-	-	-
	-	-	-	-	-	-
Total 30 June 2023	**89,023,814,684**	**1,936,581,848**	**1,121,612,582,258**	**6,088,584,587,836**	**11,323,115,863**	**7,312,480,682,489**
Total 30 June 2022	44,162,652,926	3,111,857,736,906	1,483,922,223,503	975,319,116,062	31,609,404,613	5,646,871,134,010

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

PUSATIs

PUSATI	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Makerere University	-	-	-	4,831,175,480	12,420,219,207	**17,251,394,687**
Mbarara University	-	-	-	-	-	-
Makerere University Business School	-	-	-	7,892,908,924	-	**7,892,908,924**
Kyambogo University	-	-	-	17,985,008,685	-	**17,985,008,685**
Busitema University	-	-	-	336,645,063	-	**336,645,063**
Muni University	5,818,297	-	-	932,268,574	-	**938,086,871**
Kabale University	-	-	-	1,778,758,881	-	**1,778,758,881**
Soroti University	-	-	-	244,105,193	-	**244,105,193**
Gulu University	-	-	-	3,687,853,981	-	**3,687,853,981**
Lira University	-	-	-	316,489,160	-	**316,489,160**
Law Development Centre.	975,615,838	-	-	1,838,070,083	-	**2,813,685,921**
Uganda Management Institute	-	-	-	-	-	-
Mountains of the Moon University	-	-	-	861,795,000	-	**861,795,000**
Total 30 June, 2023	**981,434,135**	-	-	**40,705,079,024**	**12,420,219,207**	**54,106,732,366**
30 June 2022	4,702,450,464	-	197,180,000	9,184,546,813	1,115,525,321	15,199,702,598

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

REFERRAL HOSPITALS

Referral Hospital	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Mulago National Referral Hospital	10,319,672,139	-	-	195,761,815	951,416,724	**11,466,850,678**
Butabika National Referral Mental Hospital	-	-	-	41,800,188	55,427,002	**97,227,190**
Arua Regional Referral Hospital	-	-	-	498,462,900	-	**498,462,900**
Fort Portal Regional Referral Hospital	-	-	-	44,231,803	-	**44,231,803**
Gulu Regional Referral Hospital	-	-	-	267,286,364	3,580,454	**270,866,818**
Hoima Regional Referral Hospital	145,234,124	-	-	196,294,118	18,441,738	**359,969,980**
Jinja Regional Referral Hospital	-	-	-	2,944,175,132	62,046,315	**3,006,221,447**
Kabale Regional Referral Hospital	-	-	-	15,252,476	-	**15,252,476**
Masaka Regional Referral Hospital	302,076,263	-	-	84,931,898	73,203,538	**460,211,699**
Mbale Regional Referral Hospital	-	-	-	-	-	**-**
Soroti Regional Referral Hospital	-	-	-	265,014,454	-	**265,014,454**
Lira Regional Referral Hospital	-	-	-	220,440	-	**220,440**
Mbarara Regional Referral Hospital	605,263,438	-	-	43,219,822	-	**648,483,260**
Mubende Regional Referral Hospital	-	-	-	367,122,541	68,781,465	**435,904,006**
Moroto Regional Referral Hospital	-	-	-	157,737,014	-	**157,737,014**
China-Uganda Friendship Hospital Naguru	1,709,393,079	-	-	-	-	**1,709,393,079**
Kiruddu Specialised National Referral Hospital	-	-	-	504,626,405	-	**504,626,405**
Kawempe Specialised National Referral Hospital	732,277,705	-	-	-	-	**732,277,705**
Entebbe Regional Referral Hospital	814,766,518	-	-	344,829,025	100,931,529	**1,260,527,072**
Mulago Specialized Women and Neonatal Hospital	-	-	-	2,104,342,398	-	**2,104,342,398**
Kayunga Regional Referral Hospital	-	-	-	4,053,967	-	**4,053,967**
Yumbe Regional Referral Hospital	-	-	-	-	-	**-**
30 June 2023	**14,628,683,266**	**-**	**-**	**8,079,362,760**	**1,333,828,765**	**24,041,874,791**
30 June 2022	4,702,450,464	-	197,180,000	9,184,546,813	1,115,525,321	15,199,702,598

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

EMBASSIES/MISSIONS

Embassy/ Mission	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Uganda Mission at the United Nations, New York	-	-	-	-	-	-
Uganda High Commission in the United Kingdom	-	-	-	-	-	-
Uganda High Commission in Canada, Ottawa	-	-	-	662,381,769	-	**662,381,769**
Uganda High Commission in India, New Delhi	-	-	-	-	-	-
Uganda High Commission in Kenya, Nairobi	-	-	-	7,002,136,516	-	**7,002,136,516**
Uganda High Commission in Tanzania, Dar es Salaam	-	-	-	-	-	-
Uganda High Commission in Nigeria, Abuja	-	-	-	-	-	-
Uganda High Commission in South Africa, Pretoria	-	-	-	114,239,724	-	**114,239,724**
Uganda High Commission in Rwanda, Kigali	-	-	-	-	-	-
Uganda Embassy in the United States, Washington	-	-	-	1	-	**1**
Uganda Embassy in Egypt, Cairo	-	-	-	-	-	-
Uganda Embassy in Ethiopia, Addis Ababa	-	-	-	-	-	-
Uganda Embassy in China, Beijing	-	-	-	-	-	-
Uganda Embassy in Switzerland, Geneva	-	-	-	-	-	-
Uganda Embassy in Japan, Tokyo	-	-	-	-	-	-
Uganda Embassy in Saudi Arabia, Riyadh	-	-	-	-	-	-
Uganda Embassy in Denmark, Copenhagen	-	-	-	-	-	-
Uganda Embassy in Belgium, Brussels	-	-	-	-	-	-
Uganda Embassy in Italy, Rome	-	-	-	-	-	-
Uganda Embassy in DRC, Kinshasa	-	-	-	-	-	-
Uganda Embassy in Sudan, Khartoum	-	-	-	-	-	-
Uganda Embassy in France, Paris	-	-	-	-	-	-
Uganda Embassy in Germany, Berlin	-	-	-	-	-	-
Uganda Embassy in Iran, Tehran	-	-	-	-	-	-
Uganda Embassy in Russia, Moscow	-	-	-	-	-	-
Uganda Embassy in Australia, Canberra	-	-	-	-	-	-
Uganda Embassy in South Sudan, Juba	-	-	-	-	-	-
Uganda Embassy in United Arab Emirates, Abu Dhabi	-	-	-	-	-	-
Uganda Embassy in Burundi, Bujumbura	-	-	-	-	-	-
Uganda Consulate in China, Guangzhou	-	-	-	-	-	-
Uganda Embassy in Turkey, Ankara	-	-	-	-	-	-

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

Embassy/ Mission	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Uganda Embassy in Somalia, Mogadishu	-	-	-	-	-	-
Uganda Embassy in Malaysia, Kuala Lumpur	-	-	-	-	-	-
Uganda Consulate in Kenya, Mombasa	-	-	-	-	-	-
Uganda Embassy in Algeria, Algiers	-	-	-	-	-	-
Uganda Embassy in Qatar, Doha	-	-	-	-	-	-
Uganda Mission in Havana, Cuba	-	-	-	-	-	-
Uganda Mission in Luanda, Angola	-	-	-	-	-	-
	-	-	-	-	-	-
Total 30 June 2023	-	-	-	**7,778,758,010**	-	**7,778,758,010**
Total 30 June 2022	-	-	-	5,324,501,629	-	5,324,501,629

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

Cities

City	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Arua City Council	-	-	-	91,944,658	382,947,056	474,891,714
Fortportal City Council	-	-	-	252,049,552	-	252,049,552
Gulu City Council	-	-	-	152,721,822	-	152,721,822
Hoima City Council	-	-	-	3,186,573	-	3,186,573
Jinja City Council	-	-	-	1,101,438,245	102,719,696	1,204,157,941
Lira City Council	-	-	-	298,587,398	-	298,587,398
Masaka City Council	-	-	-	196,828,407	28,532,767	225,361,174
Mbale City Council	300,847,586	-	637,063,233	84,943,613	31,723,800	1,054,578,232
Mbarara City Council	-	-	-	265,328,196	-	265,328,196
Soroti City Council	-	-	-	67,378,995	232,609,699	299,988,694
						-
Total 30 June, 2023	**300,847,586**	**-**	**637,063,233**	**2,514,407,459**	**778,533,018**	**4,230,851,296**

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

MUNICIPAL COUNCILS

Municipal Council	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions and Gratuity	Total
Apac Municipal Council	-	-	-	20,300,346	-	20,300,346
Bugiri Municipal Council	-	-	-	99,116,734	-	99,116,734
Bushenyi-Ishaka Municipal Council	-	-	-	63,413,706	-	63,413,706
Busia Municipal Council	-	-	-	4,287,000	-	4,287,000
Entebbe Municipal Council	-	-	-	-	-	-
Ibanda Municipal Council	-	-	-	280,141,753	-	280,141,753
Iganga Municipal Council	-	-	-	318,887,357	-	318,887,357
Kabale Municipal Council	-	-	-	-	949,339,871	949,339,871
Kamuli Municipal Council	7,894,637	-	-	-	-	7,894,637
Kapchorwa Municipal Council	-	-	-	46,771,443	-	46,771,443
Kasese Municipal Council	-	-	-	42,332,846	-	42,332,846
Kira Municipal Council	3,191,768	-	-	601,290,850	271,634,389	876,117,007
Kisoro Municipal Council	-	-	-	117,365,491	-	117,365,491
Kitgum Municipal Council	-	-	-	7,362,463,164	-	7,362,463,164
Koboko Municipal Council	-	-	-	298,745,000	-	298,745,000
Kotido Municipal Council	-	-	-	51,045,469	-	51,045,469
Kumi Municipal Council	-	-	-	-	-	-
Lugazi Municipal Council	-	-	-	87,595,139	-	87,595,139
Makindye Ssabagabo Municipal Council	-	-	-	-	-	-
Masindi Municipal Council	-	-	-	18,218,853	-	18,218,853
Mityana Municipal Council	-	-	-	201,072,831	10,813,863	211,886,694
Moroto Municipal Council	-	-	-	169,788,556	-	169,788,556
Mubende Municipal Council	-	-	-	44,663,817	4,634,215	49,298,032
Mukono Municipal Council	-	-	-	38,849,110	-	38,849,110
Nansana Municipal Council	-	-	-	209,283,585	-	209,283,585
Nebbi Municipal Council	18,847,288	-	18,081,721	-	-	36,929,009
Njeru Municipal Council	3,777,645	-	-	59,687,287	-	63,464,932
Ntungamo Municipal Council	-	-	-	-	-	-
Rukungiri Municipal Council	-	-	-	-	-	-
Sheema Municipal Council	-	-	-	839,491,151	280,336,649	1,119,827,800
Tororo Municipal Council	-	-	-	-	-	-
				-		-
Total 30 June 2023	**33,711,338**	**-**	**18,081,721**	**10,974,811,488**	**1,516,758,987**	**12,543,363,534**
Total 30 June 2022						

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

District Local Government	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Abim District Local Government	-	-	-	96,921,156	534,535,391	631,457,547
Adjumani District Local Government	-	-	-	616,514,931	368,368,047	984,882,978
Agago District Local Government	-	-	-	496,140	-	496,140
Alebtong District Local Government	-	-	-	25,650,000	-	25,650,000
Amolatar District Local Government	-	-	-	188,118,783	167,567,062	355,685,845
Amudat District Local Government	-	-	-	809,312,753	-	809,312,753
Amuria District Local Government	-	-	-	255,405,018	-	255,405,018
Amuru District Local Government	-	-	-	519,175,915	-	519,175,915
Apac District Local Government	-	-	-	205,640,202	126,139,400	331,779,602
Arua District Local Government	-	-	-	-	-	-
Budaka District Local Government	-	-	-	158,034,650	-	158,034,650
Bududa District Local Government	-	-	-	-	-	-
Bugiri District Local Government	-	-	-	-	-	-
Bugweri District Local Government	-	-	-	1,030,913,812	349,242,481	1,380,156,293
Buhweju District Local Government	-	-	-	483,161,739	423,814,068	906,975,807
Buikwe District Local Government	-	-	-	317,560,228	-	317,560,228
Bukedea District Local Government	-	-	-	-	-	-
Bukomansimbi District Local Government	-	-	-	204,173,945	38,779,957	242,953,902
Bukwo District Local Government	-	-	-	15,642,990	-	15,642,990
Bulambuli District Local Government	-	-	-	-	-	-
Bulisa District Local Government	-	-	-	238,839,782	-	238,839,782
Bundibugyo District Local Government	-	-	-	236,490,872	-	236,490,872
Bunyagabu District Local Government	-	-	31,427,498	-	-	31,427,498
Bushenyi District Local Government	-	-	-	1,627,541,403	240,900,981	1,868,442,384
Busia District Local Government	-	-	-	-	112,607,163	112,607,163
Butaleja District Local Government	-	-	-	1,673,661	-	1,673,661
Butambala District Local Government	-	-	-	136,601,847	31,713,624	168,315,471
Butebo District Local Government	-	-	-	-	-	-
Buvuma District Local Government	-	-	-	915,474	-	915,474
Buyende District Local Government	-	-	-	228,355,022	-	228,355,022
Dokolo District Local Government	-	-	-	-	89,362,209	89,362,209
Gomba District Local Government	-	-	-	842,529,081	2,358,948	844,888,029
Gulu District Local Government	-	-	-	172,208,142	-	172,208,142

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

District Local Government	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Hoima District Local Government	-	-	-	30,881,200	-	30,881,200
Ibanda District Local Government	-	-	-	126,690	-	126,690
Iganga District Local Government	-	-	-	70,123,474	-	70,123,474
Isingiro District Local Government	-	-	-	-	-	-
Jinja District Local Government	-	-	-	-	72,305,088	72,305,088
Kaabong District Local Government	-	-	-	30,963,017	-	30,963,017
Kabale District Local Government	-	-	-	81,019,455	2,822,631,750	2,903,651,205
Kabarole District Local Government	78,342,944	-	-	10,269,417	43,012,090	131,624,451
Kaberamaido District Local Government	-	-	-	-	29,363,296	29,363,296
Kagadi District Local Government	-	-	-	44,452,490	167,580,881	212,033,371
Kakumiro District Local Government	-	-	-	110,005,063	127,048,985	237,054,048
Kalaki District Local Government	-	-	-	-	-	-
Kalangala District Local Government	-	-	-	8,526,716	174,781,071	183,307,787
Kaliro District Local Government	-	-	-	430,841,330	-	430,841,330
Kalungu District Local Government	-	-	-	33,192,085	7,589,987	40,782,072
Kamuli District Local Government	-	-	-	75,521,847	-	75,521,847
Kamwenge District Local Government	-	-	-	21,885,874	-	21,885,874
Kanungu District Local Government	-	-	-	49,598,742	-	49,598,742
Kapchorwa District Local Government	-	-	-	61,727,409	-	61,727,409
Kapelebyong District Local Government	-	-	-	203,354,701	170,021,258	373,375,959
Karenga District Local Government	-	-	-	-	-	-
Kasanda District Local Government	-	-	-	14,975,479	75,088,195	90,063,674
Kasese District Local Government	-	-	-	4,047,468,781	-	4,047,468,781
Katakwi District Local Government	-	-	-	107,020,814	417,615,572	524,636,386
Kayunga District Local Government	-	-	-	80,683,728	40,884,655	121,568,383
Kazo District Local Government	-	-	-	36,310,663	-	36,310,663
Kibale District Local Government	-	-	-	-	-	-
Kiboga District Local Government	-	-	-	52,245,992	-	52,245,992
Kibuku District Local Government	-	-	-	185,223,325	68,710,480	253,933,805
Kikuube District Local Government	-	-	-	-	-	-
Kiruhura District Local Government	-	-	-	14,500,372	-	14,500,372
Kiryandongo District Local Government	-	-	-	-	-	-
Kisoro District Local Government	-	-	-	9,697,877	-	9,697,877
Kitagwenda District Local Government	-	-	-	40,000,000	-	40,000,000
Kitgum District Local Government	-	-	-	1,618,079,533	-	1,618,079,533
Koboko District Local Government	-	-	-	-	-	-

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

District Local Government	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Kole District Local Government	-	-	-	-	-	-
Kotido District Local Government	-	-	-	-	-	-
Kumi District Local Government	-	-	-	25,912,394	74,055,710	99,969,104
Kwania District Local Government	-	-	-	91,992,944	-	91,992,944
Kween District Local Government	-	-	-	33,000,700	1,521	33,002,221
Kyankwanzi District Local Government	-	-	-	45,012,321	260,283,754	305,301,075
Kyegegwa District Local Government	-	-	-	239,008,955	-	239,008,955
Kyenjojo District Local Government	-	-	276,549,100	699,988,324	6,544,292	983,081,716
Kyotera District Local Government	-	-	-	-	-	-
Lamwo District Local Government	-	-	-	145,913,424	212,672,380	358,585,804
Lira District Local Government	-	-	-	3,061,971,598	115,687,919	3,177,659,517
Luuka District Local Government	-	-	-	-	172,270,611	172,270,611
Luwero District Local Government	-	-	-	61,851,032	191,214,047	253,065,079
Lwengo District Local Government	-	-	-	-	353,222,826	353,222,826
Lyantonde District Local Government	-	-	-	607,614,966	306,324,506	913,939,472
Madi-Okollo District Local Government	-	-	-	-	-	-
Manafwa District Local Government	-	-	-	211,980,923	-	211,980,923
Maracha-Terego District Local Government	-	-	-	244,943,408	-	244,943,408
Masaka District Local Government	10,698,792	-	-	48,334,580	517,173,928	576,207,300
Masindi District Local Government	-	-	-	30,657,625	-	30,657,625
Mayuge District Local Government	-	-	-	-	605,934,406	605,934,406
Mbale District Local Government	-	-	-	963,404,060	-	963,404,060
Mbarara District Local Government	-	-	-	145,286,761	-	145,286,761
Mitooma District Local Government	-	-	-	49,800	-	49,800
Mityana District Local Government	-	-	-	-	-	-
Moroto District Local Government	-	-	-	-	-	-
Moyo District Local Government	-	-	-	681,735,735	570,880,968	1,252,616,703
Mpigi District Local Government	6,047,689	-	-	381,883,462	987,164,114	1,375,095,265
Mubende District Local Government	-	-	-	317,579,172	202,181,656	519,760,828
Mukono District Local Government	-	-	-	-	-	-
Nabilatuk District Local Government	-	-	-	-	-	-
Nakapiripirit District Local Government	-	-	-	73,662,767	254,982,866	328,645,633
Nakaseke District Local Government	-	-	-	1,313,701,597	1,350,382,551	2,664,084,148
Nakasongola District Local Government	-	-	-	77,871,503	127,757,878	205,629,381
Namayingo District Local Government	-	-	-	6,521,739	-	6,521,739
Namisindwa District Local Government	-	-	-	191,999,841	-	191,999,841
Namutamba District Local Government	-	-	-	-	196,065,650	196,066,650
Napak District Local Government	-	-	-	196,422,445	-	196,422,445
Nebbi District Local Government	-	-	-	182,262	-	182,262
Ngora District Local Government	-	-	-	663,161,247	-	663,161,247
Ntoroko District Local Government	-	-	-	236,064,775	-	236,064,775
Ntungamo District Local Government	-	-	-	-	-	-

Statement of Outstanding Commitments by vote for the Year ended 30 June 2023
[As submitted and signed by accounting Officers]

District Local Government	Rent and Utilities	Contributions to International Organisations	Court awards and compensations	Other Payables	Pensions & Gratuity	Total
Nwoya District Local Government	-	-	-	401,387,308	-	401,387,308
Obongi District Local Government	-	-	-	-	-	-
Omoro District Local Government	-	-	-	226,181,275	44,365,966	270,547,241
Otuke District Local Government	-	-	-	1,520,694,592	-	1,520,694,592
Oyam District Local Government	-	-	-	273,850,569	248,114,975	521,965,544
Pader District Local Government	-	-	-	42,329,588	10,270,483	52,600,071
Pakwach District Local Government	-	-	-	166,801,874	18,539,811	185,341,685
Pallisa District Local Government	-	-	-	-	-	-
Rakai District Local Government	28,183,529	-	-	-	112,200,636	140,384,165
Rubanda District Local Government	-	-	-	461,909,059	-	461,909,059
Rubirizi District Local Government	-	-	-	95,593,519	206,692,972	302,286,491
Rukiga District Local Government	-	-	-	144,010,075	-	144,010,075
Rukungiri District Local Government	-	-	-	40,130,694	-	40,130,694
Rwampara District Local Government	-	-	-	217,090,826	-	217,090,826
Sembabule District Local Government	-	-	-	-	491,450,275	491,450,275
Serere District Local Government	-	-	10,000,000	-	13,232,835	23,232,835
Sheema District Local Government	-	-	-	21,525,320	-	21,525,320
Sironko District Local Government	-	-	-	49,358,112	-	49,358,112
Soroti District Local Government	-	-	-	160,178,160	234,716,150	394,894,310
Terego District Local Government	-	-	-	97,613,172	-	97,613,172
Tororo District Local Government	-	-	-	108,701,179	1,241,873,664	1,350,574,843
Wakiso District Local Government	-	-	-	513,443,942	649,797,481	1,163,241,423
Yumbe District Local Government	159,163,068	-	-	144,000	520,583,810	679,890,878
Zombo District Local Government	-	-	-	-	-	-
						-
Total 30 June 2023	**282,436,022**	**-**	**317,976,598**	**31,219,227,244**	**16,998,671,280**	**48,818,311,144**
Total 30 June 2022						

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

MINISTRIES

Ministry	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off **Shs.**	Claims abandoned during the year Shs.	**Total losses written off** 30 June 2023 **Shs.**	Total losses at 30 June 2022 Shs.
Office of the President	-	-	-	-	-
State House	-	-	-	-	-
Office of the Prime Minister	-	-	-	-	-
Ministry of Defence and Veteran Affairs	-	-	-	-	-
Ministry of Public Service	-	-	-	-	-
Ministry of Foreign Affairs	-	-	-	-	-
Ministry of Justice and Constitutional Affairs	-	-	-	-	-
Ministry of Finance, Planning and Economic Development	-	-	-	-	-
Ministry of Internal Affairs	-	-	-	-	-
Ministry of Agriculture, Animal Industry and Fisheries	-	-	-	-	-
Ministry of Local Government	-	-	-	-	-
Ministry of Lands, Housing and Urban Development	-	-	-	-	-
Ministry of Education and Sports	-	-	-	-	-
Ministry of Health	-	-	-	-	-
Ministry of Trade, Industry and Co-Operatives	-	-	-	-	-
Ministry of Works, and Transport	-	-	-	-	-
Ministry of Energy and Mineral Development	-	-	-	-	-
Ministry of Gender, Labour and Social Development	-	-	-	-	-
Ministry of Water and Environment	-	-	-	-	-
Ministry of Information Communication Technology and National Guidance	-	-	-	-	-
Ministry of East African Community Affairs	-	-	-	-	-
Ministry of Tourism, Wildlife and Antiquities	-	-	-	-	-
Ministry of Kampala Capital City and Metropolitan Affairs	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

AGENCIES

Agency	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Courts of Judicature	-	-	-	-	-
Electoral Commission (EC)	-	-	-	-	-
Inspector General of Government's Office (IGG)	-	-	-	-	-
Parliamentary Commission (PARL)	-	-	-	-	-
Uganda Law Reform Commission (ULRC)	-	-	-	-	-
Uganda Human Rights Commission (UHRC)	-	-	-	-	-
Uganda Aids Commission (UAC)	-	-	-	-	-
National Planning Authority (NPA)	-	-	-	-	-
Uganda National Meteorological Authority (UNMA)	-	-	-	-	-
Uganda Industrial Research Institute (UIRI)	-	-	-	-	
National Curriculum Development Centre (NCDC)	-	-	-	-	-
Directorate of Ethics and Integrity (DEI)	-	-	-	-	-
Uganda National Roads Authority (UNRA)	-	-	-	-	-
Uganda Cancer Institute (UCI)	-	-	-	-	-
Uganda Heart Institute (UHI)	-	-	-	-	-
Uganda National Medical Stores	-	-	-	-	-
Uganda Tourism Board (UTB)	-	-	-	-	-
Uganda Road Fund (RF)	-	-	-	-	-
Uganda Registration Services Bureau (URSB)	-	-	-	-	
National Citizenship and Immigration Control (NCIC)	-	-	-	-	
Diary Development Authority (DDA)	-	-	-	-	
Kampala Capital City Authority (KCCA)	-	-	-	-	
National Lotteries and Gaming Regulatory Board	-	-	-	-	
Equal Opportunities Commission	-	-	-	-	
National Animal Genetic Resource Centre and Data Bank	-	-	-	-	
National Information Technology Authority	-	-	-	-	
Uganda Virus Research Institute (UVRI)	-	-	-	-	
Uganda National Examination Board (UNEB)	-	-	-	-	
Financial Intelligence Authority (FIA)	-	-	-	-	
Treasury Operations (TOP)	-	-	-	-	
Office of the Auditor General (OAG)	-	-	-	-	
Education Service Commission (ESC)	-	-	-	-	
Directorate of Public Prosecutions (DPP)	-	-	-	-	
Health Service Commission (HSC)	-	-	-	-	
Directorate of Government Analytical Laboratory (DGAL)	-	-	-	-	
Uganda Export Promotion Board (UEPB)	-	-	-	-	
National Identification and Registration Authority (NIRA)	-	-	-	-	
Uganda Investment Authority (UIA)	-	-	-	-	
Petroleum Authority of Uganda (PAU)	-	-	-	-	
Capital Markets Authority	-	-	-	-	
Uganda Revenue Authority (URA)	-	-	-	-	
National Agricultural Research Organization (NARO)	-	-	-	-	
Uganda Bureau of Statistics (UBOS)	-	-	-	-	

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

Agency	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Uganda Police Force	-	-	-	-	
Uganda Prisons Services	-	-	-	-	
Public Service Commission (PSC)	-	-	-	-	
Local Government Finance Commission (LGFC)	-	-	-	-	
Judicial Service Commission (JSC)	-	-	-	-	
National Population Council	-	-	-	-	
National Environment Management Authority (NEMA)	-	-	-	-	
Uganda Blood Transfusion Services (UBTS)	-	-	-	-	
National Agricultural Advisory Services (NAADS)	-	-	-	-	
Public Procurement and Disposal of Public Assets Authority	-	-	-	-	
Uganda National Bureau of Standards (UNBS)	-	-	-	-	
Cotton Development Organization	-	-	-	-	
Uganda Land Commission (ULC)					
National Forestry Authority (NFA)	-	-	-	-	
Internal Security Organization (ISO)	-	-	-	-	
External Security Organization (ESO)	-	-	-	-	
Uganda Coffee Development Authority (UCDA)	-	-	-	-	
Uganda Free Zones Authority	-	-	-	-	
Uganda Microfinance Regulatory Authority	-	-	-	-	
Uganda Retirements Benefits Regulatory Authority	-	-	-	-	
National Council for Higher Education	-	-	-	-	
Uganda Business and Technical Examination Board	-	-	-	-	
National Council of Sports	-	-	-	-	-
Science, Technology and Innovation	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

PUSATIs

PUSATI	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Makerere University	-	-	-	-	-
Mbarara University	-	-	-	-	-
Makerere University Business School	-	-	-	-	-
Kyambogo University	-	-	-	-	-
Busitema University	-	-	-	-	-
Muni University	-	-	-	-	-
Kabale University	-	-	-	-	-
Soroti University	-	-	-	-	-
Gulu University	-	-	-	-	-
Lira University	-	-	-	-	-
Law Development Centre.	-	-	-	-	-
Uganda Management Institute	-	-	-	-	-
Mountains of the Moon University	-	-	-	-	-
At 30 June 2023	**-**	**-**	**-**	**-**	-
At 30 June 2022	-	-	-	-	

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral Hospital	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Mulago National Referral Hospital	-	-	-	-	-
Butabika National Referral Mental Hospital	-	-	-	-	-
Arua Regional Referral Hospital	-	-	-	-	-
Fort Portal Regional Referral Hospital	-	-	-	-	-
Gulu Regional Referral Hospital	-	-	-	-	-
Hoima Regional Referral Hospital	-	-	-	-	-
Jinja Regional Referral Hospital	-	-	-	-	-
Kabale Regional Referral Hospital	-	-	-	-	-
Masaka Regional Referral Hospital	-	-	-	-	-
Mbale Regional Referral Hospital	-	-	-	-	-
Soroti Regional Referral Hospital	-	-	-	-	-
Lira Regional Referral Hospital	-	-	-	-	-
Mbarara Regional Referral Hospital	-	-	-	-	-
Mubende Regional Referral Hospital	-	-	-	-	-
Moroto Regional Referral Hospital	-	-	-	-	-
China-Uganda Friendship Hospital Naguru	-	-	-	-	-
Kiruddu Specialised National Referral Hospital	-	-	-	-	-
Kawempe Specialised National Referral Hospital	-	-	-	-	-
Entebbe Regional Referral Hospital	-	-	-	-	-
Mulago Specialized Women and Neonatal Hospital	-	-	-	-	-
Kayunga Regional Referral Hospital	-	-	-	-	-
Yumbe Regional Referral Hospital	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

EMBASSIES/MISSIONS

Embassy/Mission	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned During the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses 30 June 2022 Shs.
Uganda Mission at the United Nations, New York	-	-	-	-	-
Uganda High Commission in the United Kingdom	-	-	-	-	-
Uganda High Commission in Canada, Ottawa	-	-	-	-	-
Uganda High Commission in India, New Delhi	-	-	-	-	-
Uganda High Commission in Kenya, Nairobi	-	-	-	-	-
Uganda High Commission in Tanzania, Dar es Salaam	-	-	-	-	-
Uganda High Commission in Nigeria, Abuja	-	-	-	-	-
Uganda High Commission in South Africa, Pretoria	-	-	-	-	-
Uganda High Commission in Rwanda, Kigali	-	-	-	-	-
Uganda Embassy in the United States, Washington	-	-	-	-	-
Uganda Embassy in Egypt, Cairo	-	-	-	-	-
Uganda Embassy in Ethiopia, Addis Ababa	-	-	-	-	-
Uganda Embassy in China, Beijing	-	-	-	-	-
Uganda Embassy in Switzerland, Geneva	-	-	-	-	-
Uganda Embassy in Japan, Tokyo	-	-	-	-	-
Uganda Embassy in Saudi Arabia, Riyadh	-	-	-	-	-
Uganda Embassy in Denmark, Copenhagen	-	-	-	-	-
Uganda Embassy in Belgium, Brussels	-	-	-	-	-
Uganda Embassy in Italy, Rome	-	-	-	-	-
Uganda Embassy in DRC, Kinshasa	-	-	-	-	-
Uganda Embassy in Sudan, Khartoum	-	-	-	-	-
Uganda Embassy in France, Paris	-	-	-	-	-
Uganda Embassy in Germany, Berlin	-	-	-	-	-
Uganda Embassy in Iran, Tehran	-	-	-	-	-
Uganda Embassy in Russia, Moscow	-	-	-	-	-
Uganda Embassy in Australia, Canberra	-	-	-	-	-
Uganda Embassy in South Sudan, Juba	-	-	-	-	-
Uganda Embassy in United Arab Emirates, Abu D	-	-	-	-	-
Uganda Embassy in Burundi, Bujumbura	-	-	-	-	-
Uganda Consulate in China, Guangzhou	-	-	-	-	-
Uganda Embassy in Turkey, Ankara	-	-	-	-	-
Uganda Embassy in Somalia, Mogadishu	-	-	-	-	-
Uganda Embassy in Malaysia, Kuala Lumpur	-	-	-	-	-
Uganda Consulate in Kenya, Mombasa	-	-	-	-	-
Uganda Embassy in Algeria, Algiers	-	-	-	-	-
Uganda Embassy in Qatar, Doha	-	-	-	-	-
Uganda Mission in Havana, Cuba	-	-	-	-	-
Uganda Mission in Luanda, Angola	-	-	-	-	-
Uganda Consulate in Arusha, Tanzania	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

CITIES

City	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Arua City Council	-	-	-	-	-
Fort portal City Council	-	-	-	-	-
Gulu City Council	-	-	-	-	-
Hoima City Council	-	-	-	-	-
Jinja City Council	-	-	-	-	-
Lira City Council	-	-	-	-	-
Masaka City Council	-	-	-	-	-
Mbale City Council	-	-	-	-	-
Mbarara City Council	-	-	-	-	-
Soroti City Council	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

MUNICIPAL COUNCILS

Municipal Council	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Apac Municipal Council	-	-	-	-	-
Bugiri Municipal Council	-	-	-	-	-
Bushenyi-Ishaka Municipal Council	-	-	-	-	-
Busia Municipal Council	-	-	-	-	-
Entebbe Municipal Council	-	-	-	-	-
Ibanda Municipal Council	-	-	-	-	-
Iganga Municipal Council	-	-	-	-	-
Kabale Municipal Council	-	-	-	-	-
Kamuli Municipal Council	-	-	-	-	-
Kapchorwa Municipal Council	-	-	-	-	-
Kasese Municipal Council	-	-	-	-	-
Kira Municipal Council	-	-	-	-	-
Kisoro Municipal Council	-	-	-	-	-
Kitgum Municipal Council	-	-	-	-	-
Koboko Municipal Council	-	-	-	-	-
Kotido Municipal Council	-	-	-	-	-
Kumi Municipal Council	-	-	-	-	-
Lugazi Municipal Council	-	-	-	-	-
Makindye Ssabagabo Municipal Council	-	-	-	-	-
Masindi Municipal Council	-	-	-	-	-
Mityana Municipal Council	-	-	-	-	-
Moroto Municipal Council	-	-	-	-	-
Mubende Municipal Council	-	-	-	-	-
Mukono Municipal Council	-	-	-	-	-
Nansana Municipal Council	-	-	-	-	-
Nebbi Municipal Council	-	-	-	-	-
Njeru Municipal Council	-	-	-	-	-
Ntungamo Municipal Council	-	-	-	-	-
Rukungiri Municipal Council	-	-	-	-	-
Sheema Municipal Council	-	-	-	-	-
Tororo Municipal Council	-	-	-	-	-
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	-

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

DISTRICT LOCAL GOVERNMENTS

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Abim District Local Government	-	-	-	-	-
Adjumani District Local Government	-	-	-	-	-
Agago District Local Government	-	-	-	-	-
Alebtong District Local Government	-	-	-	-	-
Amolatar District Local Government	-	-	-	-	-
Amudat District Local Government	-	-	-	-	-
Amuria District Local Government	-	-	-	-	-
Amuru District Local Government	-	-	-	-	-
Apac District Local Government	-	-	-	-	-
Arua District Local Government	-	-	-	-	
Budaka District Local Government	-	-	-	-	-
Bududa District Local Government	-	-	-	-	-
Bugiri District Local Government	-	-	-	-	-
Bugweri District Local Government	-	-	-	-	-
Buhweju District Local Government	-	-	-	-	-
Buikwe District Local Government	-	-	-	-	-
Bukedea District Local Government	-	-	-	-	-
Bukomansimbi District Local Government	-	-	-	-	-
Bukwo District Local Government	-	-	-	-	
Bulambuli District Local Government	-	-	-	-	
Bulisa District Local Government	-	-	-	-	
Bundibugyo District Local Government	-	-	-	-	
Bunyagabu District Local Government	-	-	-	-	
Bushenyi District Local Government	-	-	-	-	
Busia District Local Government	-	-	-	-	
Butaleja District Local Government	-	-	-	-	
Butambala District Local Government	-	-	-	-	
Butebo District Local Government	-	-	-	-	
Buvuma District Local Government	-	-	-	-	
Buyende District Local Government	-	-	-	-	
Dokolo District Local Government	-	-	-	-	
Gomba District Local Government	-	-	-	-	
Gulu District Local Government	-	-	-	-	
Hoima District Local Government	-	-	-	-	
Ibanda District Local Government	-	-	-	-	
Iganga District Local Government	-	-	-	-	
Isingiro District Local Government	-	-	-	-	
Jinja District Local Government					
Kaabong District Local Government					
Kabale District Local Government					
Kabarole District Local Government					
Kaberamaido District Local Government					
Kagadi District Local Government					
Kakumiro District Local Government					
Kalaki District Local Government					
Kalangala District Local Government					
Kaliro District Local Government					
Kalungu District Local Government					
Kamuli District Local Government					

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Kamwenge District Local Government					
Kanungu District Local Government					
Kapchorwa District Local Government					
Kapelebyong District Local Government					
Karenga District Local Government					
Kasanda District Local Government					
Kasese District Local Government					
Katakwi District Local Government					
Kayunga District Local Government					
Kazo District Local Government					
Kibale District Local Government					
Kiboga District Local Government					
Kibuku District Local Government					
Kikuube District Local Government					
Kiruhura District Local Government					
Kiryandongo District Local Government					
Kisoro District Local Government					
Kitagwenda District Local Government					
Kitgum District Local Government					
Koboko District Local Government					
Kole District Local Government					
Kotido District Local Government					
Kumi District Local Government					
Kwania District Local Government					
Kween District Local Government					
Kyankwanzi District Local Government					
Kyegegwa District Local Government					
Kyenjojo District Local Government					
Kyotera District Local Government					
Lamwo District Local Government					
Lira District Local Government					
Luuka District Local Government					
Luwero District Local Government					
Lwengo District Local Government					
Lyantonde District Local Government					
Madi-Okollo District Local Government					
Manafwa District Local Government					
Maracha-Terego District Local Government					
Masaka District Local Government					
Masindi District Local Government					
Mayuge District Local Government					
Mbale District Local Government					
Mbarara District Local Government					
Mitooma District Local Government					
Mityana District Local Government					
Moroto District Local Government					
Moyo District Local Government					
Mpigi District Local Government					
Mubende District Local Government					
Mukono District Local Government					
Nabilatuk District Local Government					
Nakapiripiri District Local Government					

Statement of losses of public moneys and stores written off, and claims abandoned by vote during the year ended 30 June 2023
[As reported and signed by Accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Values of stores written off Shs.	Claims abandoned during the year Shs.	**Total losses written off 30 June 2023 Shs.**	Total losses at 30 June 2022 Shs.
Nakaseke District Local Government					
Nakasongola District Local Government					
Namayingo District Local Government					
Namisindwa District Local Government					
Namutamba District Local Government					
Napak District Local Government					
Nebbi District Local Government					
Ngora District Local Government					
Ntoroko District Local Government					
Ntungamo District Local Government					
Nwoya District Local Government					
Obongi District Local Government					
Omoro District Local Government					
Otuke District Local Government					
Oyam District Local Government					
Pader District Local Government					
Pakwach District Local Government					
Pallisa District Local Government					
Rakai District Local Government					
Rubanda District Local Government					
Rubirizi District Local Government					
Rukiga District Local Government					
Rukungiri District Local Government					
Rwampara District Local Government					
Sembabule District Local Government					
Serere District Local Government					
Sheema District Local Government					
Sironko District Local Government					
Soroti District Local Government					
Terego District Local Government					
Tororo District Local Government					
Wakiso District Local Government					
Yumbe District Local Government					
Zombo District Local Government					
At 30 June 2023	-	-	-	-	-
At 30 June 2022	-	-	-	-	

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	Total losses reported as at 30 June 2023 Shs.	Total losses reported at 30 June 2022 Shs
Office of the President	-	-	-	-
State House	590,200,000	-	590,200,000	590,200,000
Office of the Prime Minister			-	-
Ministry of Defence and Veteran Affairs	91,729,495	-	91,729,495	91,729,495
Ministry of Public Service	-	-	-	-
Ministry of Foreign Affairs	-	-	-	-
Ministry of Justice and Constitutional Affairs	-	116,624,834	116,624,834	116,624,834
Ministry of Finance, Planning and Economic Development	-	-	-	-
Ministry of Internal Affairs	-	-	-	-
Ministry of Agriculture, Animal Industry and Fisheries	-	2,933,526,120	2,933,526,120	2,933,526,120
Ministry of Local Government	-	-	-	-
Ministry of Lands, Housing and Urban Development	-	-	-	-
Ministry of Education and Sports	190,559,647	-	190,559,647	190,559,647
Ministry of Health	-	-	-	-
Ministry of Trade, Industry and Co-Operatives	-	-	-	-
Ministry of Works, and Transport	932,773,100	-	932,773,100	932,773,100
Ministry of Energy and Mineral Development	-	-	-	-
Ministry of Gender, Labour and Social Development	-	-	-	-
Ministry of Water and Environment	-	-	-	-
Ministry of Information Communication Technology and National Guidance	-	-	-	-
Ministry of East African Community Affairs	-	-	-	-
Ministry of Tourism, Wildlife and Antiquities	-	-	-	-
Ministry of Kampala Capital City and Metropolitan Affairs	-	-	-	-
At 30 June 2022	1,805,262,242	3,050,150,954	4,855,413,196	4,855,413,196
At 30 June 2022	1,805,262,242	3,050,150,954	4,855,413,196	

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

AGENCIES

Agency	Losses of public moneys (cash and cash equivalents) Shs.	Value of losses of stores Shs.	Total losses reported as at 30 June 2023 Shs.	Total losses reported at 30 June 2022 Shs
Courts of Judicature	139,848,926	-	139,848,926.00	
Electoral Commission (EC)	71,060,000	-	71,060,000.00	
Inspector General of Government's Office (IGG)	-	-	-	
Parliamentary Commission (PARL)	-	-	-	
Uganda Law Reform Commission (ULRC)	-	3,350,000	3,350,000.00	
Uganda Human Rights Commission (UHRC)	-	-	-	
Uganda Aids Commission (UAC)	-	-	-	
National Planning Authority (NPA)	-	-	-	
Uganda National Meteorological Authority (UNMA)	-	-	-	
Uganda Industrial Research Institute (UIRI)	-	-	-	
National Curriculum Development Centre (NCDC)	-	-	-	
Directorate of Ethics and Integrity (DEI)	-	-	-	
Uganda National Roads Authority (UNRA)	-	-	-	
Uganda Cancer Institute (UCI)	-	-	-	
Uganda Heart Institute (UHI)	-	-	-	
Uganda National Medical Stores	-	-	-	
Uganda Tourism Board (UTB)	-	-	-	
Uganda Road Fund (RF)	13,900,260	1,400,000	15,300,260	
Uganda Registration Services Bureau (URSB)	-	5,308,750	5,308,750	
National Citizenship and Immigration Control (NCIC)	-	-	-	
Diary Development Authority (DDA)	-	-	-	
Kampala Capital City Authority (KCCA)	-	-	-	
National Lotteries and Gaming Regulatory Board	-	-	-	
Equal Opportunities Commission	-	-	-	
National Animal Genetic Resource Centre and Data Bank	-	1,555,237,552	1,555,237,552	
National Information Technology Authority	-	-	-	
Uganda Virus Research Institute (UVRI)	-	-	-	
Uganda National Examination Board (UNEB)	-	-	-	
Financial Intelligence Authority (FIA)	-	-	-	
Treasury Operations (TOP)	-	-	-	
Office of the Auditor General (OAG)	-	-	-	
Education Service Commission (ESC)	-	-	-	
Directorate of Public Prosecutions (DPP)	-	-	-	
Health Service Commission (HSC)	-	-	-	
Directorate of Government Analytical Laboratory (DGAL)	-	26,386,791	26,386,791	
Uganda Export Promotion Board (UEPB)	-	-	-	
National Identification and Registration Authority (NIRA)	-	-	-	
Uganda Investment Authority (UIA)	-	-	-	
Petroleum Authority of Uganda (PAU)	-	-	-	
Capital Markets Authority	-	-	-	

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

Agency	Losses of public moneys (cash and cash equivalents) Shs.	Value of losses of stores Shs.	Total losses reported as at 30 June 2023 Shs.	Total losses reported at 30 June 2022 Shs
Uganda Revenue Authority (URA)	-	-	-	
National Agricultural Research Organization (NARO)	126,811,100	90,958,152	217,769,252	
Uganda Bureau of Statistics (UBOS)	-	58,286,304	58,286,304	
Uganda Police Force	-	1,953,000,000	1,953,000,000	
Uganda Prisons Services	-	-	-	
Public Service Commission (PSC)	-	-	-	
Local Government Finance Commission (LGFC)	-	-	-	
Judicial Service Commission (JSC)	-	-	-	
National Population Council	-	-	-	
National Environment Management Authority (NEMA)	-	-	-	
Uganda Blood Transfusion Services (UBTS)	-	-	-	
National Agricultural Advisory Services (NAADS)	-	-	-	
Public Procurement and Disposal of Public Assets Authority	-	-	-	
Uganda National Bureau of Standards (UNBS)	-	-	-	
Cotton Development Organization	-	-	-	
Uganda Land Commission (ULC)	-	-	-	
National Forestry Authority (NFA)	-	-	-	
Internal Security Organization (ISO)	-	-	-	
External Security Organization (ESO)	-	-	-	
Uganda Coffee Development Authority (UCDA)	129,515,854	-	129,515,854	
Uganda Free Zones Authority	-	5,181,000	5,181,000	
Uganda Microfinance Regulatory Authority	-	-	-	
Uganda Retirements Benefits Regulatory Authority	-	-	-	
National Council for Higher Education	-	-	-	
Uganda Business and Technical Examination Board	-	-	-	
National Council of Sports	-	-	-	
Science, Technology and Innovation	-	-	-	
At 30 June 2023	481,136,140.00	3,699,108,548.96	4,180,244,688.96	24,199,352,128
At 30 June 2022	5,769,520,016	18,429,832,112	24,199,352,128	

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

PUSATIs

PUSATI	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	**Total losses reported as at 30 June 2023 Shs.**	Total losses reported at 30 June 2022 Shs.
Makerere University	-	16,457,577,500	16,457,577,500	
Mbarara University	-	-	-	
Makerere University Business School	-	-	-	
Kyambogo University	-	-	-	
Busitema University	-	-	-	
Muni University	-	63,313,761	63,313,761	
Kabale University	-	-	-	
Soroti University	-	-	-	
Gulu University	-	-	-	
Lira University	-	-	-	
Law Development Centre.	-	-	-	
Uganda Management Institute	-	-	-	
Mountains of the Moon University	-	-	-	
At 30 June 2023	-	16,520,891,261	16,520,891,261	
At 30 June 2022				-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral hospital	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	**Total losses reported as at 30 June 2023 Shs.**	Total losses reported at 30 June 2022 Shs.
Mulago National Referral Hospital	-	-	-	-
Butabika National Referral Mental Hospital	-	-	-	15,446,200
Arua Regional Referral Hospital	-	300,000,000	300,000,000	300,000,000
Fort Portal Regional Referral Hospital	-	-	-	-
Gulu Regional Referral Hospital	-	-	-	-
Hoima Regional Referral Hospital	-	-	-	-
Jinja Regional Referral Hospital	-	-	-	-
Kabale Regional Referral Hospital	-	-	-	-
Masaka Regional Referral Hospital	-	-	-	-
Mbale Regional Referral Hospital	-	-	-	12,100,000
Soroti Regional Referral Hospital	-	-	-	-
Lira Regional Referral Hospital	-	-	-	-
Mbarara Regional Referral Hospital	-	-	-	-
Mubende Regional Referral Hospital	-	-	-	-
Moroto Regional Referral Hospital	-	-	-	-
China-Uganda Friendship Hospital Naguru	-	-	-	-
Kiruddu Specialised National Referral Hospital	-	-	-	-
Kawempe Specialised National Referral Hospital	-	-	-	-
Entebbe Regional Referral Hospital	-	-	-	-
Mulago Specialized Women and Neonatal Hospital	-	-	-	-
Kayunga Regional Referral Hospital	-	-	-	
Yumbe Regional Referral Hospital	4,570,000	-	4,570,000	
At 30 June 2023	**4,570,000**	**300,000,000**	**304,570,000**	**327,546,200**
At 30 June 2022	**15,446,200**	**312,100,000**	**327,546,200**	-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Embassy/Mission	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	**Total losses reported as at 30 June 2023 Shs.**	Total losses as reported at 30 June 2022 Shs.
Uganda Mission at the United Nations, New York	-	-		4,500,000
Uganda High Commission in the United Kingdom	-	-	-	-
Uganda High Commission in Canada, Ottawa	-	-	-	-
Uganda High Commission in India, New Delhi	-	-	-	-
Uganda High Commission in Kenya, Nairobi	-	-	-	-
Uganda High Commission in Tanzania, Dar es Salaam	-	-	-	-
Uganda High Commission in Nigeria, Abuja	-	-	-	-
Uganda High Commission in South Africa, Pretoria	-	-	-	-
Uganda High Commission in Rwanda, Kigali	-	-	-	-
Uganda Embassy in the United States, Washington	-	-	-	-
Uganda Embassy in Egypt, Cairo	-	-	-	-
Uganda Embassy in Ethiopia, Addis Ababa	-	-	-	-
Uganda Embassy in China, Beijing	-	47,250,000	47,250,000	47,250,000
Uganda Embassy in Switzerland, Geneva	-	-	-	-
Uganda Embassy in Japan, Tokyo	50,234,405	1,236,806	51,471,211	51,199,276
Uganda Embassy in Saudi Arabia, Riyadh	-	-	-	-
Uganda Embassy in Denmark, Copenhagen	-	-	-	-
Uganda Embassy in Belgium, Brussels	-	-	-	23,138,762
Uganda Embassy in Italy, Rome	32,102,340	-	32,102,340	32,583,006
Uganda Embassy in DRC, Kinshasa	-	-	-	376,152,106
Uganda Embassy in Sudan, Khartoum	-	-	-	-
Uganda Embassy in France, Paris	-	-	-	-
Uganda Embassy in Germany, Berlin	-	-	-	-
Uganda Embassy in Iran, Tehran	-	-	-	-
Uganda Embassy in Russia, Moscow	-	-	-	-
Uganda Embassy in Australia, Canberra	-	-	-	-
Uganda Embassy in South Sudan, Juba	-	-	-	-
Uganda Embassy in United Arab Emirates, Abu Dhabi	-	-	-	-
Uganda Embassy in Burundi, Bujumbura	-	-	-	-
Uganda Consulate in China, Guangzhou	-	-	-	-
Uganda Embassy in Turkey, Ankara	-	-	-	-
Uganda Embassy in Somalia, Mogadishu	-	-	-	-
Uganda Embassy in Malaysia, Kuala Lumpur	-	-	-	-
Uganda Consulate in Kenya, Mombasa	-	-	-	-
Uganda Embassy in Algeria, Algiers	-	-	-	-
Uganda Embassy in Qatar, Doha	-	-	-	-
Uganda Mission in Havana, Cuba	-	-	-	
Uganda Mission in Luanda, Angola	-	-	-	
Uganda Consulate in Arusha, Tanzania	-	-	-	
At 30 June 2023	**82,336,745**	**48,486,806**	**130,823,551**	534,823,150
At 30 June 2022	102,971,768	431,851,382	534,823,150	

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

CITIES

City	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	**Total losses reported as at 30 June 2023 Shs.**	Total losses reported at 30 June 2022 Shs.
Arua City Council	-	-	-	-
Fort portal City Council	-	-	-	-
Gulu City Council	-	-	-	-
Hoima City Council	-	-	-	-
Jinja City Council	-	-	-	-
Lira City Council	-	-	-	-
Masaka City Council	-	-	-	-
Mbale City Council	-	-	-	-
Mbarara City Council	-	-	-	-
Soroti City Council	-	-	-	-
Arua City Council	-	-	-	-
At 30 June 2023	-	-	-	-
At 30 June 2022	-	-	-	-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

MUNICIPAL COUNCILS

Municipal Council	Losses of public moneys (cash and cash equivalents) Shs.	Values of losses of stores Shs.	**Total losses reported as at 30 June 2023 Shs.**	Total losses as reported at 30 June 2022 Shs.
Apac Municipal Council	-	-	-	-
Bugiri Municipal Council	-	-	-	-
Bushenyi-Ishaka Municipal Council	-	-	-	-
Busia Municipal Council	-	-	-	-
Entebbe Municipal Council	-	-	-	-
Ibanda Municipal Council	-	-	-	-
Iganga Municipal Council	-	-	-	-
Kabale Municipal Council	-	-	-	-
Kamuli Municipal Council	-	-	-	-
Kapchorwa Municipal Council	-	-	-	-
Kasese Municipal Council	-	-	-	-
Kira Municipal Council	-	-	-	-
Kisoro Municipal Council	-	-	-	-
Kitgum Municipal Council	-	-	-	53,967,622
Koboko Municipal Council	-	-	-	-
Kotido Municipal Council	-	-	-	-
Kumi Municipal Council	-		-	-
Lugazi Municipal Council	-	-	-	-
Makindye Ssabagabo Municipal Council	-	-	-	-
Masindi Municipal Council	-	-	-	-
Mityana Municipal Council	-	-	-	-
Moroto Municipal Council	-	-	-	-
Mubende Municipal Council	-	-	-	-
Mukono Municipal Council	-	-	-	-
Nansana Municipal Council	-	-	-	-
Nebbi Municipal Council	-	-	-	-
Njeru Municipal Council	-	-	-	-
Ntungamo Municipal Council	-	-	-	-
Rukungiri Municipal Council	-	-	-	-
Sheema Municipal Council	-	-	-	-
Tororo Municipal Council	-	-	-	-
At 30 June 2023	-	-	-	53,967,622
At 30 June 2022	**53,967,622**	-	53,967,622	

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

DISTRICT LOCAL GOVERNMENT

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Value of losses of stores Shs.	Total losses reported as at 30 June 2023 Shs.	Total losses reported at 30 June 2022 Shs
Abim District Local Government	-	-	-	-
Adjumani District Local Government	-	-	-	-
Agago District Local Government	-	-	-	-
Alebtong District Local Government	-	-	-	-
Amolatar District Local Government	-	-	-	5,950,000
Amudat District Local Government	-	-	-	-
Amuria District Local Government	-	-	-	-
Amuru District Local Government	-	-	-	-
Apac District Local Government	-	-	-	-
Arua District Local Government	-	-	-	-
Budaka District Local Government	-	-	-	-
Bududa District Local Government	-	-	-	-
Bugiri District Local Government	-	-	-	45,945,600
Bugweri District Local Government	-	-	-	-
Buhweju District Local Government	-	-	-	-
Buikwe District Local Government	-	-	-	-
Bukedea District Local Government	-	-	-	-
Bukomansimbi District Local Government	-	-	-	-
Bukwo District Local Government	-	-	-	-
Bulambuli District Local Government	-	-	-	-
Bulisa District Local Government	-	-	-	-
Bundibugyo District Local Government	-	-	-	-
Bunyagabu District Local Government	-	-	-	-
Bushenyi District Local Government	-	-	-	-
Busia District Local Government	-	-	-	-
Butaleja District Local Government	-	-	-	-
Butambala District Local Government	-	-	-	-
Butebo District Local Government	-	-	-	-
Buvuma District Local Government	-	-	-	-
Buyende District Local Government	-	-	-	-
Dokolo District Local Government	-	-	-	-
Gomba District Local Government	-	-	-	-
Gulu District Local Government	-	-	-	17,800,000
Hoima District Local Government	-	-	-	-
Ibanda District Local Government	-	-	-	-
Iganga District Local Government	-	-	-	-
Isingiro District Local Government	-	-	-	-
Jinja District Local Government	-	-	-	-
Kaabong District Local Government	-	-	-	-
Kabale District Local Government	-	-	-	-
Kabarole District Local Government	-	-	-	-
Kaberamaido District Local Government	-	-	-	-
Kagadi District Local Government	-	-	-	-
Kakumiro District Local Government	-	-	-	-
Kalaki District Local Government	-	-	-	-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Value of losses of stores Shs.	Total losses reported as at 30 June 2023 Shs.	Total losses reported at 30 June 2022 Shs
Kalangala District Local Government	-	-	-	-
Kaliro District Local Government	-	-	-	-
Kalungu District Local Government	-	-	-	-
Kamuli District Local Government	-	-	-	-
Kamwenge District Local Government	-	-	-	-
Kanungu District Local Government	-	-	-	-
Kapchorwa District Local Government	-	-	-	-
Kapelebyong District Local Government	-	-	-	-
Karenga District Local Government	-	-	-	-
Kasanda District Local Government	-	-	-	-
Kasese District Local Government	-	-	-	-
Katakwi District Local Government	-	-	-	-
Kayunga District Local Government	-	-	-	-
Kazo District Local Government	-	-	-	-
Kibale District Local Government	-	-	-	-
Kiboga District Local Government	-	-	-	-
Kibuku District Local Government	6,000,000	24,044,000	30,044,000	30,044,000
Kikuube District Local Government	-	-	-	-
Kiruhura District Local Government	-	-	-	-
Kiryandongo District Local Government	-	-	-	-
Kisoro District Local Government	-	-	-	-
Kitagwenda District Local Government	-	-	-	-
Kitgum District Local Government	-	-	-	-
Koboko District Local Government	-	-	-	76,500,000
Kole District Local Government	-	-	-	-
Kotido District Local Government	-	-	-	-
Kumi District Local Government	-	-	-	-
Kwania District Local Government	-	-	-	-
Kween District Local Government	-	-	-	-
Kyankwanzi District Local Government	-	-	-	-
Kyegegwa District Local Government	-	-	-	-
Kyenjojo District Local Government	-	-	-	-
Kyotera District Local Government	-	-	-	-
Lamwo District Local Government	-	-	-	-
Lira District Local Government	-	-	-	-
Luuka District Local Government	-	-	-	-
Luwero District Local Government	19,962,950	-	19,962,950	19,962,950
Lwengo District Local Government	-	-	-	-
Lyantonde District Local Government	-	-	-	-
Madi-Okollo District Local Government	-	-	-	-
Manafwa District Local Government	-	-	-	-
Maracha-Terego District Local Government	-	-	-	-
Masaka District Local Government	-	-	-	-
Masindi District Local Government	-	-	-	-
Mayuge District Local Government	-	-	-	-
Mbale District Local Government	-	-	-	-
Mbarara District Local Government	-	-	-	-
Mitooma District Local Government	-	-	-	-
Mityana District Local Government	-	-	-	-
Moroto District Local Government	-	-	-	-
Moyo District Local Government	-	-	-	-
Mpigi District Local Government	-	-	-	-
Mubende District Local Government	-	-	-	-
Mukono District Local Government	-	-	-	-
Nabilatuk District Local Government	-	-	-	-
Nakapiripiri District Local Government	-	-	-	-

Statement of losses of public moneys and stores reported by vote during the year ended 30 June 2023
[As submitted and signed by Accounting Officers]

District Local Government	Losses of public moneys (cash and cash equivalents) Shs.	Value of losses of stores Shs.	Total losses reported as at 30 June 2023 Shs.	Total losses reported at 30 June 2022 Shs
Nakaseke District Local Government	-	-	-	-
Nakasongola District Local Government	-	-	-	-
Namayingo District Local Government	-	-	-	-
Namisindwa District Local Government	-	-	-	-
Namutamba District Local Government	-	-	-	-
Napak District Local Government	-	-	-	-
Nebbi District Local Government	-	-	-	-
Ngora District Local Government	-	-	-	-
Ntoroko District Local Government	-	-	-	-
Ntungamo District Local Government	-	-	-	-
Nwoya District Local Government	-	-	-	-
Obongi District Local Government	-	-	-	-
Omoro District Local Government	29,131,500	-	29,131,500	29,131,500
Otuke District Local Government	-	16,000,000	16,000,000	16,000,000
Oyam District Local Government	-	-	-	-
Pader District Local Government	-	-	-	-
Pakwach District Local Government	-	-	-	-
Pallisa District Local Government	-	-	-	-
Rakai District Local Government	-	-	-	-
Rubanda District Local Government	-	-	-	-
Rubirizi District Local Government	9,510,000	10,000,000	19,510,000	19,510,000
Rukiga District Local Government	-	-	-	-
Rukungiri District Local Government	-	-	-	-
Rwampara District Local Government	-	-	-	-
Sembabule District Local Government	-	-	-	-
Serere District Local Government	-	-	-	-
Sheema District Local Government	-	-	-	-
Sironko District Local Government	-	-	-	-
Soroti District Local Government	-	-	-	-
Terego District Local Government	-	-	-	-
Tororo District Local Government	-	650,000	650,000	650,000
Wakiso District Local Government	-	-	-	-
Yumbe District Local Government	-	-	-	92,656,506
Zombo District Local Government	-	-	-	114,280,000
At 30 June 2023	**64,604,450**	**50,694,000**	**115,298,450**	468,430,556
At 30 June 2022	462,630,556	5,800,000	468,430,556	

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B−E) Shs.
Office of the President	-	-	41,462,670	41,462,670	-	-
State House	-	-	-	-	-	-
Office of the Prime Minister	-	-	3,179,868,533	498,560,423	2,681,308,110	2,681,308,110
Ministry of Defence and Veteran Affairs	217,940,000	155,940,000	1,306,299,960	634,812,000	671,487,960	733,487,960
Ministry of Public Service	-	-	117,237,677	117,237,677	-	-
Ministry of Foreign Affairs	-	-	691,665,803	691,665,803	-	-
Ministry of Justice and Constitutional Affairs	-	-	272,052,092	272,052,092	-	-
Ministry of Finance, Planning and Economic Development	-	-	185,595,563	154,389,329	31,206,234	31,206,234
Ministry of Internal Affairs	-	-	1,607,920,417	1,607,920,417	-	-
Ministry of Agriculture, Animal Industry and Fisheries	-	-	4,620,660,550	4,620,660,550	-	-
Ministry of Local Government	-	-	4,760,687,200	4,760,687,200	-	-
Ministry of Lands, Housing and Urban Development	-	-	4,618,298,252	4,618,298,252	-	-
Ministry of Education and Sports	-	-	204,229,020	204,229,020	-	-
Ministry of Health	-	-	340,035,000	340,035,000	-	-
Ministry of Trade, Industry and Co-Operatives	-	-	63,529,000	63,529,000	-	-
Ministry of Works, and Transport	-	-	204,782,663,220	204,782,663,220	-	-
Ministry of Energy and Mineral Development	179,659,724,238	900,345,000	16,211,393,917	15,550,018,917	661,375,000	179,420,754,238
Ministry of Gender, Labour and Social Development	-	-	14,788,838,755	14,788,838,755	-	-
Ministry of Water and Environment	-	-	13,324,631,200	13,324,631,200	-	-
Ministry of Information Communication Technology and National Guidance	-	-	1,835,000	1,835,000	-	-
Ministry of East African Community Affairs	-	-	42,665,000	42,665,000	-	-
Ministry of Tourism, Wildlife and Antiquities	-	-	4,559,446,197	4,559,446,197	-	-
Ministry of Kampala Capital City and Metropolitan Affairs	-	-	-	-	-	-
At 30 June 2023	**179,877,664,238**	**1,056,285,000**	**275,721,015,026**	**271,675,637,722**	**4,045,377,304**	**182,866,756,542**
At 30 June 2022	154,591,498,514	19,753,006,381	332,129,877,460	269,925,394,621	62,204,482,839	196,198,374,972

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

AGENCIES

Agency	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Courts of Judicature	-	-	9,903,951,121	9,903,951,121	-	-
Electoral Commission (EC)	-	-	335,812,800	335,812,800	-	-
Inspector General of Government's Office (IGG)	-	-	1,425,000	1,425,000	-	-
Parliamentary Commission (PARL)	-	-	598,694,942	598,694,942	-	-
Uganda Law Reform Commission (ULRC)	-	-	108,131,730	108,131,730	-	-
Uganda Human Rights Commission (UHRC)	-	-	14,400,000	14,400,000	-	-
Uganda Aids Commission (UAC)	-	-	70,994,000	70,994,000	-	-
National Planning Authority (NPA)	-	-	-	-	-	-
Uganda National Meteorological Authority (UNMA)	-	-	358,646,715	358,646,715	-	-
Uganda Industrial Research Institute (UIRI)	-	-	151,220,463	151,220,463	-	-
National Curriculum Development Centre (NCDC)	-	-	115,103,632	115,103,632	-	-
Directorate of Ethics and Integrity (DEI)	-	-	-	-	-	-
Uganda National Roads Authority (UNRA)	-	-	2,778,445,948	2,778,445,948	-	-
Uganda Cancer Institute (UCI)	-	-	3,368,485,939	3,368,485,939	-	-
Uganda Heart Institute (UHI)	-	-	4,911,390,583	4,911,390,583	-	-
Uganda National Medical Stores	-	-	28,000,000,000	28,000,000,000	-	-
Uganda Tourism Board (UTB)	-	-	201,147,000	201,147,000	-	-
Uganda Road Fund (RF)	-	-	9,091,500	9,091,500	-	-
Uganda Registration Services Bureau (URSB)	-	-	69,114,720,439	69,114,720,439	-	-
National Citizenship and Immigration Control (NCIC)	-	-	339,831,355,937	339,831,355,937	-	-
Diary Development Authority (DDA)	-	-	416,204,910	416,204,910	-	-
Kampala Capital City Authority (KCCA)	195,114,691,035	-	105,796,138,208	105,283,088,352	513,049,856	195,627,740,891
National Lotteries and Gaming Regulatory Board	97,000,000	87,550,000	3,233,350,000	3,233,350,000	-	9,450,000
Equal Opportunities Commission	-	-	-	-	-	-

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

Agency	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
National Animal Genetic Resource Centre and Data Bank	-	-	1,723,174,714	1,723,174,714	-	-
National Information Technology Authority	27,955,001,336	5,721,049,299	19,405,050,944	14,560,395,911	4,844,655,033	27,078,607,070
Uganda Virus Research Institute (UVRI)	-	-	112,809,530	112,809,530	-	-
Uganda National Examination Board (UNEB)	-	-	52,111,476,556	52,111,476,556	-	-
Financial Intelligence Authority (FIA)	-	-	6,200,000	6,200,000	-	-
Treasury Operations (TOP)	-	-	174,437,363,634	174,437,363,634	-	-
Office of the Auditor General (OAG)	-	-	92,171,000	92,171,000	-	-
Education Service Commission (ESC)	-	-	65,979,400	65,979,400	-	-
Directorate of Public Prosecutions (DPP)	-	-	22,777,600	22,777,600	-	-
Health Service Commission (HSC)	-	-	400,000	400,000	-	-
Directorate of Government Analytical Laboratory (DGAL)	-	-	505,134,000	505,134,000	-	-
Uganda Export Promotion Board (UEPB)	-	-	40,000	40,000	-	-
National Identification and Registration Authority (NIRA)	-	-	7,038,609,610	7,038,609,610	-	-
Uganda Investment Authority (UIA)	21,395,908,911	-	460,359,627	437,922,722	22,436,905	21,418,345,816
Petroleum Authority of Uganda (PAU)	12,514,566	-	-	-	-	12,514,566
Capital Markets Authority	-	-	3,282,569,205	3,282,569,205	-	-
Uganda Revenue Authority (URA)	-	-	-	-	-	-
National Agricultural Research Organization (NARO)	-	-	2,273,901,552	2,273,901,552	-	-
Uganda Bureau of Statistics (UBOS)	-	-	130,020,000	130,020,000	-	-
Uganda Police Force	24,700,000,000	24,700,000,000	43,598,747,029	43,598,747,029	-	-
Uganda Prisons Services	-	-	25,997,464,452	25,997,464,452	-	-
Public Service Commission (PSC)	-	-	1,700,000	1,700,000	-	-
Local Government Finance Commission (LGFC)	-	-	1,701,000	1,701,000	-	-
Judicial Service Commission (JSC)	-	-	3,686,500	3,686,500	-	-
National Population Council	-	-	-	-	-	-
National Environment Management Authority (NEMA)	12,080,461,505	-	11,541,576,366	11,541,576,366	-	12,080,461,505

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

Agency	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Uganda Blood Transfusion Services (UBTS)	-	-	13,050,000	13,050,000	-	-
National Agricultural Advisory Services (NAADS)	-	-	199,744,500	199,744,500	-	-
Public Procurement and Disposal of Public Assets Authority	-	-	1,184,221,981	1,184,221,981	-	-
Uganda National Bureau of Standards (UNBS)	-	-	59,128,897,199	47,770,647,199	11,358,250,000	11,358,250,000
Cotton Development Organization	-	-	3,050,161,214	3,050,161,214	-	-
Uganda Land Commission (ULC)	978,355,000	-	7,263,611,682	7,263,611,682	-	978,355,000
National Forestry Authority (NFA)	8,269,229,133	1,420,745,899	12,598,902,525	12,598,902,525	-	6,848,483,234
Internal Security Organization (ISO)	-	-	340,430,523	340,430,523	-	-
External Security Organization (ESO)	-	-	-		-	-
Uganda Coffee Development Authority (UCDA)	3,506,741,873	3,335,092,771	65,123,574,096	57,886,235,171	7,237,338,925	7,408,988,027
Uganda Free Zones Authority	-	-	159,613,908	159,613,908	-	-
Uganda Microfinance Regulatory Authority	-	-	-	-	-	-
Uganda Retirements Benefits Regulatory Authority	-	-	125,300,000	125,300,000	-	-
National Council for Higher Education	-	-	3,761,236,686	3,761,236,686	-	-
Uganda Business and Technical Examination Board	1,499,991,212	-	10,760,385,202	10,760,385,202	-	1,499,991,212
National Council of Sports	-	-	1,262,415,375	1,051,084,000	211,331,375	211,331,375
Science, Technology and Innovation	-	-	-	-	-	-
At 30 June 2023	**295,609,894,571**	**35,264,437,969**	**1,077,103,168,477**	**1,052,916,106,383**	**24,187,062,094**	**284,532,518,696**
At 30 June 2022	159,020,588,614	56,057,839,598	1,785,906,991,244	1,661,883,103,798	124,023,877,446	226,986,626,462

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

PUSATIs

PUSATI	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Makerere University	60,590,404,983	22,945,254,552	100,174,756,311	78,871,104,485	21,303,651,826	58,948,802,257
Mbarara University	2,591,382,626	1,319,809,123	12,744,507,452	12,445,276,294	299,231,158	1,570,804,661
Makerere University Business School	21,294,140,707	21,294,140,707	74,493,477,482	63,978,647,703	10,514,829,779	10,514,829,779
Kyambogo University	41,710,052,952	24,891,921,878	45,872,377,219	-	45,872,377,219	62,690,508,293
Busitema University	223,107,141	-	12,043,360,257	12,043,360,257	-	223,107,141
Muni University	338,023,245	266,660,714	1,600,852,664	1,131,188,822	469,663,842	541,026,373
Kabale University	1,411,787,916	743,382,047	13,374,844,839	11,910,566,815	1,464,278,024	2,132,683,893
Soroti University	-	-	583,976,729	-	583,976,729	583,976,729
Gulu University	4,319,983,740	3,590,271,658	9,784,391,950	9,005,216,260	779,175,690	1,508,887,772
Lira University	1,477,931,832	967,776,714	3,789,498,542	3,054,919,490	734,579,052	1,244,734,170
Law Development Centre.	1,009,671,401	638,653,200	17,150,898,067	16,743,143,268	407,754,799	778,773,000
Uganda Management Institute	10,708,410,535	2,207,637,284	18,608,726,919	13,747,015,674	4,861,711,245	13,362,484,496
Mountains of the Moon University	-	-	3,900,039,754	3,791,363,750	108,676,004	108,676,004
At 30 June 2023	**145,674,897,078**	**78,865,507,877**	**314,121,708,185**	**226,721,802,818**	**87,399,905,367**	**154,209,294,568**
At 30 June 2022						

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral Hospital	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Mulago National Referral Hospital	208,399,000	106,800,000	5,540,619,969	5,315,323,469	225,296,500	326,895,500
Butabika National Referral Mental Hospital	-	-	1,767,904,110	1,767,904,110	-	-
Arua Regional Referral Hospital	-	-	226,814,000	226,814,000	-	-
Fort Portal Regional Referral Hospital	-	-	585,608,204	585,608,204	-	-
Gulu Regional Referral Hospital	-	-	66,767,550	66,767,550	-	-
Hoima Regional Referral Hospital	-	-	85,700,000	85,700,000	-	-
Jinja Regional Referral Hospital	-	-	424,249,900	424,249,900	-	-
Kabale Regional Referral Hospital	-	-	162,575,155	162,575,155	-	-
Masaka Regional Referral Hospital	-	-	698,171,223	698,171,223	-	-
Mbale Regional Referral Hospital	-	-	350,425,555	350,425,555	-	-
Soroti Regional Referral Hospital	-	-	114,826,500	114,826,500	-	-
Lira Regional Referral Hospital	-	-	78,718,640	78,718,640	-	-
Mbarara Regional Referral Hospital	-	-	804,493,480	804,493,480	-	-
Mubende Regional Referral Hospital	-	-	150,593,362	150,593,362	-	-
Moroto Regional Referral Hospital	-	-	7,700,000	7,700,000	-	-
China-Uganda Friendship Hospital Naguru	-	-	232,526,563	232,526,563	-	-
Kiruddu Specialised National Referral Hospital	-	-	551,529,868	551,529,868	-	-
Kawempe Specialised National Referral Hospital	-	-	463,636,560	463,636,560	-	-
Entebbe Regional Referral Hospital	-	-	681,367,500	681,367,500	-	-
Mulago Specialized Women and Neonatal Hospital	490,559,269	72,915,344	6,990,009,655	6,990,009,655	-	417,643,925
Kayunga Regional Referral Hospital	-	-	10,748,000	10,748,000	-	-
Yumbe Regional Referral Hospital	-	-	23,967,000	23,967,000	-	-
At 30 June 2023	**698,958,269**	**179,715,344**	**20,018,952,794**	**19,793,656,294**	**225,296,500**	**744,539,425**
At 30 June 2022	255,362,323	255,362,323	14,898,572,153	14,199,613,884	698,958,269	698,958,269

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Embassy/Mission	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Uganda Mission at the United Nations, New	7,451,815,868	435,769,714	6,567,738,836	5,696,199,408	871,539,428	7,887,585,582
Uganda High Commission in the United Kin	-	-	799,372,929	799,372,929	-	-
Uganda High Commission in Canada, Ott	-	-	27,107,003	27,107,003	-	-
Uganda High Commission in India, New Del	-	-	12,119,327	12,119,327	-	-
Uganda High Commission in Kenya, Nairobi	112,630,169	-	21,279,100	21,279,100	-	112,630,169
Uganda High Commission in Tanzania, Da	-	-	101,532,803	101,532,803	-	-
Uganda High Commission in Nigeria, Abu	-	-	39,062,049	39,062,049	-	-
Uganda High Commission in South Africa,	-	-	2,503,247	2,503,247	-	-
Uganda High Commission in Rwanda, Kig	-	-	42,999,842	42,999,842	-	-
Uganda Embassy in the United States, Wash	-	-	46,012,011	46,012,011	-	-
Uganda Embassy in Egypt, Cairo	-	-	16,958,703	16,958,703	-	-
Uganda Embassy in Ethiopia, Addis Ababa	-	-	19,621,160	19,621,160	-	-
Uganda Embassy in China, Beijing	-	-	63,584,921	63,584,921	-	-
Uganda Embassy in Switzerland, Geneva	-	-	11,454,726	11,454,726	-	-
Uganda Embassy in Japan, Tokyo	-	-	4,366,410	4,366,410	-	-
Uganda Embassy in Saudi Arabia, Riyadh	-	-	4,402,191	4,402,191	-	-
Uganda Embassy in Denmark, Copenhagen	-	-	38,645,363	38,645,363	-	-
Uganda Embassy in Belgium, Brussels	-	-	15,737,263	15,737,263	-	-
Uganda Embassy in Italy, Rome	-	-	23,273,605	23,273,605	-	-
Uganda Embassy in DRC, Kinshasa	409,156,376	21,038,338	727,198,975	727,198,975	-	388,118,038
Uganda Embassy in Sudan, Khartoum	-	-	-	-	-	-
Uganda Embassy in France, Paris	-	-	45,436,680	45,436,680	-	-
Uganda Embassy in Germany, Berlin	-	-	27,771,501	27,771,501	-	-
Uganda Embassy in Iran, Tehran	-	-	-	-	-	-
Uganda Embassy in Russia, Moscow	-	-	50,346,752	50,346,752	-	-
Uganda Embassy in Australia, Canberra	-	-	-	-	-	-
Uganda Embassy in South Sudan, Juba	-	-	344,989,737	344,989,737	-	-
Uganda Embassy in United Arab Emirates,	-	-	139,534,129	139,534,129	-	-
Uganda Embassy in Burundi, Bujumbura	-	-	7,764,751	7,764,751	-	-
Uganda Consulate in China, Guangzhou	-	-	4,503,524	4,503,524	-	-
Uganda Embassy in Turkey, Ankara	-	-	37,628,317	37,628,317	-	-
Uganda Embassy in Somalia, Mogadishu	-	-	-	-	-	-
Uganda Embassy in Malaysia, Kuala Lumpur	-	-	17,081,194	17,081,194	-	-
Uganda Consulate in Kenya, Mombasa	-	-	3,483,294	3,483,294	-	-
Uganda Embassy in Algeria, Algiers	-	-	594,693	594,693	-	-
Uganda Embassy in Qatar, Doha	-	-	156,448,329	156,448,329	-	-
Uganda Mission in Havana, Cuba	-	-	-	-	-	-
Uganda Mission in Luanda, Angola	-	-	-	-	-	-
Uganda Consulate in Arusha, Tanzania	-	-	-	-	-	-
At 30 June 2023	**7,973,602,413**	**456,808,052**	**9,420,553,365**	**8,549,013,937**	**871,539,428**	**8,388,333,789**
At 30 June 2022	4,823,243,059	2,687,931,117	12,410,533,597	7,320,561,164	5,089,972,433	7,225,284,375

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

CITIES

City	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Arua City Council	3,946,720,512	-	5,671,284,102	4,422,287,613	1,248,996,489	5,195,717,001
Fort portal City Council	285,666,264	185,432,264	2,250,858,183	2,250,858,183	-	100,234,000
Gulu City Council	1,391,269,385	-	3,387,228,001	3,387,228,001	-	1,391,269,385
Hoima City Council	2,476,052,394	-	1,446,124,813	1,446,124,813	-	2,476,052,394
Jinja City Council	304,838,443	-	5,883,291,090	5,883,291,090	-	304,838,443
Lira City Council	192,721,903	-	2,533,911,099	2,533,911,099	-	192,721,903
Masaka City Council	-	-	2,855,291,342	2,855,291,342	-	-
Mbale City Council	1,300,622,217	-	1,888,454,735	1,888,454,735	-	1,300,622,217
Mbarara City Council	2,225,491,000	122,829,994	6,591,747,350	6,191,907,041	399,840,309	2,502,501,315
Soroti City Council	-	-	862,757,827	862,757,827	-	-
At 30 June 2023	**145,674,897,078**	**78,865,507,877**	**314,121,708,185**	**226,721,802,818**	**87,399,905,367**	**154,209,294,568**
At 30 June 2022	637,480,037	81,027,343,266	1,100,662,345	984,209,209	457,157,518	84,206,852,375

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

MUNICIPAL COUNCILS

Municipal Council	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year (E) (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Apac Municipal Council	-	-	210,343,982	210,343,982	-	-
Bugiri Municipal Council	-	-	99,789,500	99,789,500	-	-
Bushenyi-Ishaka Municipal Council	603,298,711	38,871,667	830,040,852	830,040,852	-	564,427,044
Busia Municipal Council	62,470,097	-	827,290,456	827,290,456	-	62,470,097
Entebbe Municipal Council	-	-	-	-	-	-
Ibanda Municipal Council	-	-	824,899,907	824,899,907	-	-
Iganga Municipal Council	591,083,119	-	228,943,972	228,943,972	-	591,083,119
Kabale Municipal Council	581,604,160	49,197,407	1,848,348,461	1,691,548,461	156,800,000	689,206,753
Kamuli Municipal Council	320,757,101	-	192,229,850	192,229,850	-	320,757,101
Kapchorwa Municipal Council	61,110,925	-	69,298,865	69,298,865	-	61,110,925
Kasese Municipal Council	61,123,055	-	1,246,779,341	1,246,779,341	-	61,123,055
Kira Municipal Council	625,056,889	625,056,889	8,694,451,137	7,855,370,944	839,080,193	839,080,193
Kisoro Municipal Council	6,712,980	-	441,176,607	441,176,607	-	6,712,980
Kitgum Municipal Council	5,703,660	-	667,516,152	667,516,152	-	5,703,660
Koboko Municipal Council	179,722,123	115,501,074	1,303,026,531	1,239,990,580	63,035,951	127,257,000
Kotido Municipal Council	-	-	205,179,501	205,179,501	-	-
Kumi Municipal Council	-	-	-	-	-	-
Lugazi Municipal Council	1,868,692,320	-	1,097,567,612	1,097,567,612	-	1,868,692,320
Makindye Ssabagabo Municipal Council	307,828,628	307,828,628	6,350,651,481	5,853,550,116	497,101,365	497,101,365
Masindi Municipal Council	423,522,422	-	969,689,498	969,689,498	-	423,522,422
Mityana Municipal Council	69,525,266	-	861,017,427	861,017,427	-	69,525,266
Moroto Municipal Council	-	-	308,186,613	308,186,613	-	-
Mubende Municipal Council	55,874,202	29,000,000	1,452,116,546	1,452,116,546	-	26,874,202
Mukono Municipal Council	527,721,172	523,180,308	4,246,400,661	4,246,400,661	-	4,540,864
Nansana Municipal Council	1,098,517,733	-	7,213,042,687	6,900,132,691	312,909,996	1,411,427,729
Nebbi Municipal Council	250,572,916	-	393,857,996	393,857,996	-	250,572,916
Njeru Municipal Council	-	-	1,520,169,358	1,520,169,358	-	-
Ntungamo Municipal Council	-	-	-	-	-	-
Rukungiri Municipal Council	7,789,002,734	-	787,380,383	787,380,383	-	7,789,002,734
Sheema Municipal Council	97,901,201	11,568,000	527,888,826	513,267,826	14,621,000	100,954,201
Tororo Municipal Council	-	-	-	-	-	-
At 30 June 2023	**15,587,801,414**	**1,700,203,973**	**43,417,284,202**	**41,533,735,697**	**1,883,548,505**	**15,771,145,946**
At 30 June 2022	569,448,422	90,688,483,670	1,176,930,067	2,508,527,806	1,056,420,838	95,999,810,803

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

DISTRICT LOCAL GOVERNMENT

District Local Government	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Abim District Local Government	-	-	220,520,578	220,520,578	-	-
Adjumani District Local Government	-	-	721,053,258	721,053,258	-	-
Agago District Local Government	-	-	233,342,272	233,342,272	-	-
Alebtong District Local Government	43,802,389	-	196,410,010	196,410,010	-	43,802,389
Amolatar District Local Government	-	-	323,258,225	323,258,225	-	-
Amudat District Local Government	373,036,166	-	59,544,657	59,544,657	-	373,036,166
Amuria District Local Government	-	-	257,031,448	257,031,448	-	-
Amuru District Local Government	-	-	1,120,654,701	1,120,654,701	-	-
Apac District Local Government	-	-	122,735,603	122,735,603	-	-
Arua District Local Government	-	-	320,773,900	320,773,900	-	-
Budaka District Local Government	-	-	207,701,528	207,701,528	-	-
Bududa District Local Government	-	-	-	-	-	-
Bugiri District Local Government	-	-	-	-	-	-
Bugweri District Local Government	-	-	84,029,950	84,029,950	-	-
Buhweju District Local Government	-	-	106,257,780	106,257,780	-	-
Buikwe District Local Government	-	-	636,216,940	636,216,940	-	-
Bukedea District Local Government	-	-	-	-	-	-
Bukomansimbi District Local Government	-	-	280,817,713	274,842,813	5,974,900	5,974,900
Bukwo District Local Government	-	-	127,886,209	127,886,209	-	-
Bulambuli District Local Government	-	-	179,567,810	179,567,810	-	-
Bulisa District Local Government	-	-	417,489,338	417,489,338	-	-
Bundibugyo District Local Government	-	-	209,671,060	209,671,060	-	-
Bunyagabu District Local Government	80,727	-	282,485,281	282,485,281	-	80,727
Bushenyi District Local Government	-	-	402,425,053	402,425,053	-	-
Busia District Local Government	5,675,059	-	258,820,079	258,820,079	-	5,675,059
Butaleja District Local Government	-	-	99,452,014	99,452,014	-	-
Butambala District Local Government	-	-	476,479,729	476,479,729	-	-
Butebo District Local Government	68,285,803	-	209,751,343	209,751,343	-	68,285,803
Buvuma District Local Government	768,950,936	-	186,822,225	186,822,225	-	768,950,936
Buyende District Local Government	1,296,932,378	-	204,824,300	204,824,300	-	1,296,932,378
Dokolo District Local Government	518,703,975	518,703,975	190,762,019	190,762,019	-	-
Gomba District Local Government	-	-	338,247,700	338,247,700	-	-

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Gulu District Local Government	1,003,460,710	-	367,272,000	367,272,000	-	1,003,460,710
Hoima District Local Government	-	-	620,599,541	620,599,541	-	-
Ibanda District Local Government	-	-	898,317,773	898,317,773	-	-
Iganga District Local Government	30,104,446	-	249,426,552	249,426,552	-	30,104,446
Isingiro District Local Government	-	-	1,819,465,873	1,819,465,873	-	-
Jinja District Local Government	-	-	1,308,341,980	1,308,341,980	-	-
Kaabong District Local Government	-	-	229,348,117	229,348,117	-	-
Kabale District Local Government	-	-	736,267,008	736,267,008	-	-
Kabarole District Local Government	-	-	619,158,769	619,158,769	-	-
Kaberamaido District Local Government	-	-	174,088,255	174,088,255	-	-
Kagadi District Local Government	-	-	164,168,763	164,168,763	-	-
Kakumiro District Local Government	-	-	234,050,202	234,050,202	-	-
Kalaki District Local Government	-	-	-	-	-	-
Kalangala District Local Government	-	-	633,087,043	633,087,043	-	-
Kaliro District Local Government	-	-	243,694,930	243,694,930	-	-
Kalungu District Local Government	-	-	257,443,234	257,443,234	-	-
Kamuli District Local Government	-	-	502,886,758	502,886,758	-	-
Kamwenge District Local Government	-	-	495,261,526	495,261,526	-	-
Kanungu District Local Government	-	-	724,459,226	724,459,226	-	-
Kapchorwa District Local Government	-	-	311,330,829	311,330,829	-	-
Kapelebyong District Local Government	7,050,000	-	273,041,504	273,041,504	-	7,050,000
Karenga District Local Government	-	-	541,711,282	541,711,282	-	-
Kasanda District Local Government	461,666,023	-	365,100,492	365,100,492	-	461,666,023
Kasese District Local Government	702,009,983	586,444,766	1,341,407,251	1,341,407,251	-	115,565,217
Katakwi District Local Government	1,398,617,789	-	460,997,181	460,997,181	-	1,398,617,789
Kayunga District Local Government	-	-	1,031,481,673	1,031,481,673	-	-
Kazo District Local Government	-	-	569,819,178	569,819,178	-	-
Kibale District Local Government	-	-	338,052,142	338,052,142	-	-
Kiboga District Local Government	-	-	708,977,466	708,977,466	-	-
Kibuku District Local Government	-	-	168,511,850	168,511,850	-	-
Kikuube District Local Government	-	-	-	-	-	-
Kiruhura District Local Government	64,328,915	-	638,418,919	638,418,919	-	64,328,915
Kiryandongo District Local Government	-	-	-	-	-	-

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Kisoro District Local Government	-	-	446,723,605	446,723,605	-	-
Kitagwenda District Local Government	-	-	181,069,924	181,069,924	-	-
Kitgum District Local Government	-	-	212,748,401	212,748,401	-	-
Koboko District Local Government	-	-	-	-	-	-
Kole District Local Government	-	-	301,955,592	301,955,592	-	-
Kotido District Local Government	-	-	150,922,187	150,922,187	-	-
Kumi District Local Government	-	-	449,856,332	449,856,332	-	-
Kwania District Local Government	-	-	235,663,842	235,663,842	-	-
Kween District Local Government	453,183,550	-	267,576,370	267,576,370	-	453,183,550
Kyankwanzi District Local Government	-	-	713,981,663	713,981,663	-	-
Kyegegwa District Local Government	-	-	884,167,158	884,167,158	-	-
Kyenjojo District Local Government	-	-	897,183,155	897,183,155	-	-
Kyotera District Local Government	-	-	-	-	-	-
Lamwo District Local Government	-	-	274,348,845	274,348,845	-	-
Lira District Local Government	-	-	415,080,700	415,080,700	-	-
Luuka District Local Government	775,696,660	-	260,666,570	260,666,570	-	775,696,660
Luwero District Local Government	1,305,721,370	479,739,100	2,850,218,483	2,850,218,483	-	825,982,270
Lwengo District Local Government	-	-	540,097,173	540,097,173	-	-
Lyantonde District Local Government	318,129,026	-	186,675,418	186,675,418	-	318,129,026
Madi-Okollo District Local Government	-	-	-	-	-	-
Manafwa District Local Government	-	-	171,581,786	171,581,786	-	-
Maracha-Terego District Local Government	-	-	220,937,462	220,937,462	-	-
Masaka District Local Government	-	-	193,586,853	193,586,853	-	-
Masindi District Local Government	-	-	1,158,696,870	1,158,696,870	-	-
Mayuge District Local Government	226,171,969	-	404,120,289	404,120,289	-	226,171,969
Mbale District Local Government	-	-	496,260,828	496,260,828	-	-
Mbarara District Local Government	-	-	1,282,382,219	1,282,382,219	-	-
Mitooma District Local Government	-	-	418,486,660	418,486,660	-	-
Mityana District Local Government	-	-	912,712,610	912,712,610	-	-
Moroto District Local Government	1,470,121,794	-	193,622,160	193,622,160	-	1,470,121,794
Moyo District Local Government	-	-	319,266,736	319,266,736	-	-
Mpigi District Local Government	71,310,000	2,730,000	910,050,491	889,720,491	20,330,000	88,910,000
Mubende District Local Government	-	-	741,530,472	741,530,472	-	-

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Mukono District Local Government	-	-	1,952,689,465	1,952,689,465	-	-
Nabilatuk District Local Government	-	-	-	-	-	-
Nakapiripiri District Local Government	-	-	317,814,723	316,959,723	855,000	855,000
Nakaseke District Local Government	-	-	1,828,865,451	1,828,865,451	-	-
Nakasongola District Local Government	-	-	1,210,283,445	1,210,283,445	-	-
Namayingo District Local Government	-	-	205,554,081	205,554,081	-	-
Namisindwa District Local Government	-	-	128,654,793	128,654,793	-	-
Namutamba District Local Government	145,784,722	38,822,106	188,453,624	188,453,624	-	106,962,616
Napak District Local Government	-	-	280,960,839	280,960,839	-	-
Nebbi District Local Government	-	-	565,965,118	565,965,118	-	-
Ngora District Local Government	27,571,046	-	114,681,381	114,681,381	-	27,571,046
Ntoroko District Local Government	-	-	216,338,244	216,338,244	-	-
Ntungamo District Local Government	-	-	-	-	-	-
Nwoya District Local Government	301,906,485	44,638,000	439,613,348	439,613,348	-	257,268,485
Obongi District Local Government	-	-	-	-	-	-
Omoro District Local Government	-	-	257,693,186	257,693,186	-	-
Otuke District Local Government	-	-	166,546,383	166,546,383	-	-
Oyam District Local Government	-	-	534,521,294	534,521,294	-	-
Pader District Local Government	-	-	210,332,691	210,332,691	-	-
Pakwach District Local Government	-	-	453,767,778	453,767,778	-	-
Pallisa District Local Government	-	-	293,986,871	293,986,871	-	-
Rakai District Local Government	-	-	333,020,228	333,020,228	-	-
Rubanda District Local Government	-	-	295,974,484	295,974,484	-	-
Rubirizi District Local Government	-	-	253,717,387	253,717,387	-	-
Rukiga District Local Government	-	-	165,188,561	165,188,561	-	-
Rukungiri District Local Government	-	-	1,224,631,985	1,224,631,985	-	-
Rwampara District Local Government	-	-	639,132,349	639,132,349	-	-
Sembabule District Local Government	-	-	637,033,360	637,033,360	-	-
Serere District Local Government	-	-	680,252,072	680,252,072	-	-
Sheema District Local Government	-	-	338,067,777	338,067,777	-	-
Sironko District Local Government	128,236,422	-	406,381,392	406,381,392	-	128,236,422
Soroti District Local Government	-	-	244,905,455	244,905,455	-	-
Terego District Local Government	-	-	322,648,060	322,648,060	-	-
Tororo District Local Government	-	-	1,004,776,280	1,004,776,280	-	-

Statement of Arrears of Revenues, by vote, as at 30 June 2023
[As submitted and signed by Accounting Officers]

District Local Government	Arrears of Revenue (A) 30 June 2022 Shs	Arrears in (A) collected during the year (B) Shs.	Actual amounts billed during the year © Shs.	Amounts Collected during the year (D) Shs	Arrears of Revenue for the year € (C-D) Shs.	Cumulative Arrears of Revenue at 30-Jun-22 (F) (A-B+E) Shs.
Wakiso District Local Government	43,726,508	3,560,953	11,469,746,946	11,422,538,946	47,208,000	87,373,555
Yumbe District Local Government	346,018,267	-	587,275,955	587,275,955	-	346,018,267
Zombo District Local Government	-	-	-	-	-	-
At 30 June 2023	**12,356,283,118**	**1,674,638,900**	**70,162,865,900**	**70,088,498,000**	**74,367,900**	**10,756,012,118**
At 30 June 2022	5,000,076,250	330,280,209,028	8,329,522,210	20,348,391,272	93,118,538,960	457,076,737,720

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

MINISTRIES

Ministry	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Office of the President	-	716,984,310	6,802,803,119	-	146,905,709	7,666,693,138	28,826,595,808
State House	18,003,419,735	29,138,120,683	4,060,000,002	78,537,152	1,402,749,279	52,682,826,851	30,311,831,037
Office of the Prime Minister	9,900,000,000	2,201,466,741	3,299,200,000	345,512,224	33,439,997	15,779,618,962	13,470,058,542
Ministry of Defence and Veteran Affairs	194,932,851,603	26,299,279,400	14,399,095,050	963,166,406	1,891,131,629,840	2,127,726,022,299	2,278,355,881,451
Ministry of Public Service	-	259,996,886	568,858,770	-	68,285,001	897,140,657	3,230,694,464
Ministry of Foreign Affairs	-	-	-	95,902,725	18,695,630	114,598,355	1,496,615,177
Ministry of Justice and Constitutional Affairs	-	19,810,952,000	1,711,528,538	-	113,248,026	21,635,728,564	12,398,603,500
Ministry of Finance, Planning and Economic Development	33,000,000,000	24,395,110,646	5,898,956,826	1,166,938,579	1,095,665,678	65,556,671,729	44,688,439,768
Ministry of Internal Affairs	-	511,982,748	3,574,463,010	282,227,492	4,299,927	4,372,973,177	4,200,913,568
Ministry of Agriculture, Animal Industry and	110,439,727,676	54,388,135,442	33,041,943,554	302,615,709	-	198,172,422,381	154,946,591,994
Ministry of Local Government	-	17,313,777,756	21,820,211,165	201,615,693	5,661,100,962	44,996,705,576	35,881,263,459
Ministry of Lands, Housing and Urban Development	94,159,859,776	15,144,772,954	205,713,801	2,212,670,151	160,516,105	111,883,532,787	93,791,896,181
Ministry of Education and Sports	3,354,397,842	32,895,495,873	1,713,562,335	545,267,278	1,213,960,793	39,722,684,121	41,686,109,620
Ministry of Health	538,787,550	54,665,297,371	75,168,053	86,079,339	84,096,512,708	139,461,845,021	100,965,448,627
Ministry of Trade, Industry and Co-Operati	735,000,000	-	-	-	2,244,490,277	2,979,490,277	4,411,187,776
Ministry of Works, and Transport	262,578,563,588	203,237,330,336	12,353,433,475	796,092,700	56,184,506	479,021,604,605	563,494,629,411
Ministry of Energy and Mineral Development	729,681,384,062	130,306,829,145	2,008,000,000	(53,319,847)	380,634,046	862,323,527,406	833,454,593,604
Ministry of Gender, Labour and Social Development	-	487,228,973	100,000,000	349,937,000	355,352,260	1,292,518,233	1,309,638,352
Ministry of Water and Environment	29,278,786,162	339,166,302,086	6,275,500,781	840,518,299	8,407,299,060	383,968,406,388	282,478,847,335
Ministry of Information Communication Technology and National Guidance	-	-	-	2,336,032,160	-	2,336,032,160	4,871,238,035
Ministry of East African Community Affairs	-	407,500,000	(64,224,799)	35,094,804	-	378,370,005	632,472,752
Ministry of Tourism, Wildlife and Antiquities	494,520,000	3,355,609,302	863,462,625	-	27,331,701	4,740,923,628	15,799,614,813
Ministry of Kampala Capital City and Metropolitan Affairs	-	-	-	-	-	-	-
As at 30 June 2023	**1,487,097,297,994**	**954,702,172,652**	**118,707,676,305**	**10,584,887,864**	**1,996,618,301,505**	**4,567,710,336,320**	**4,550,703,165,274**
As at 30 June 2022		1,890,759,367,956	249,853,696,481	2,410,090,100,837		4,550,703,165,274	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

AGENCIES

Agency	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Courts of Judicature	280,000,000	29,414,086,313	13,442,888,589	255,173,807	3,063,932,744	46,456,081,453	
Electoral Commission (EC)	-	-	-	-	-	-	
Inspector General of Government's Office(IGG)	5,600,000,000	8,330,317,965	1,360,000,001	-	-	15,290,317,966	
Parliamentary Commission (PARL)	-	3,659,612,371	10,719,700,001	-	14,896,573,801	29,275,886,173	
Uganda Law Reform Commission (ULRC)	-	-	-	-	38,700,165	38,700,165	
Uganda Human Rights Commission (UHRC)	-	-	279,995,225	63,564,760	214,067,781	557,627,766	
Uganda Aids Commission (UAC)	-	-	275,990,402	127,680,000	149,900,000	553,570,402	
National Planning Authority (NPA)	-	839,241,460	459,015,176	354,630,998	619,715,057	2,272,602,691	
Uganda National Meteorological Authority (UNMA)	200,000,000	168,357,210	-	-	787,223,191	1,155,580,401	
Uganda Industrial Research Institute (UIRI)	-	536,771,688	-	269,014,988	231,639,574	1,037,426,250	
National Curriculum Development Centre (NCDC)	-	294,687,921	-	-	-	294,687,921	
Directorate of Ethics and Integrity (DEI)	-	(106,199,998)	354,000,000	-	-	247,800,002	
Uganda National Roads Authority (UNRA)	3,400,336,478,333	1,917,233,506,337	19,839,819,915	8,644,601,101	-	5,346,054,405,686	
Uganda Cancer Institute (UCI)	-	9,248,695,383	-	-	2,479,199,971	11,727,895,354	
Uganda Heart Institute (UHI)	-	2,509,052,485	(95,070,540)	960,364,626	-	3,374,346,571	
Uganda National Medical Stores	-	-	3,607,797,154	36,180,000	216,002,340	3,859,979,494	
Uganda Tourism Board (UTB)	-	-	-	33,652,890	13,181,504	46,834,394	
Uganda Road Fund (RF)	-	-	-	-	-	-	
Uganda Registration Services Bureau (URSB)	-	-	43,265,095	-	229,084,654	272,349,749	
National Citizenship and Immigration Control (NCIC)	1,810,068,400	965,475,190	749,160,039	293,943,057	371,094,169	4,189,740,855	
Diary Development Authority (DDA)	-	227,356,614	-	9,572,775	26,694,999	263,624,388	
Kampala Capital City Authority (KCCA)	-	225,677,433,531	2,538,345,545	-	241,570,500	228,457,349,576	
National Lotteries and Gaming Regulatory Board	-	-	-	-	-	-	
Equal Opportunities Commission	-	-	-	-	-	-	
National Animal Genetic Resource Centre and Data Bank	3,733,650,001	44,666,379,254	937,032,538	-	3,524,500,000	52,861,561,793	
National Information Technology Authority	1,532,979,432	-	-	7,656,771,187	39,870,000	9,229,620,619	
Uganda Virus Research Institute (UVRI)	-	1,169,841,891	-	-	-	1,169,841,891	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

Agency	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Uganda National Examination Board (UNEB)	-	2,657,218,004	349,999,990	484,265,607	900,000,001	4,391,483,602	
Financial Intelligence Authority (FIA)	-	-	193,245,886	539,626,024	-	732,871,910	
Treasury Operations (TOP)	-	-	-	-	-	-	
Office of the Auditor General (OAG)	1,431,824,400	275,882,692	438,524,424	2,376,316,116	149,885,009	4,672,432,641	
Education Service Commission (ESC)	-	1,926,577,205	-	105,941,993	853,196,623	2,885,715,821	
Directorate of Public Prosecutions (DPP)	-	814,746,324	8,603,672,921	215,416,338	1,186,622,897	10,820,458,480	
Health Service Commission (HSC)	-	-	1,549,192,984	-	47,774,000	1,596,966,984	
Directorate of Government Analytical Laboratory (DGAL)	220,000,000	-	62,589,415	430,079,818	1,325,808,930	2,038,478,163	
Uganda Export Promotion Board (UEPB)	-	-	-	-	-	-	
National Identification and Registration Authority (NIRA)	-	-	(398,409,733)	2,999,652,369	1,228,814,156	3,830,056,792	
Uganda Investment Authority (UIA)	28,895,656,621	28,552,882,968	955,621,771	94,145,602	150,000,000	58,648,306,962	
Petroleum Authority of Uganda (PAU)	-	-	413,139,019	1,338,500,916	537,112,040	2,288,751,975	
Capital Markets Authority	-	-	-	-	-	-	
Uganda Revenue Authority (URA)	-	-	-	-	-	-	
National Agricultural Research Organization (NARO)	-	877,620,349	-	570,864,001	2,602,486,615	4,050,970,965	
Uganda Bureau of Statistics (UBOS)	-	290,000,000	(87,000,000)	266,884,376	-	469,884,376	
Uganda Police Force	1,387,309,444,883	71,996,012,429	75,486,198,678	1,110,125,592	210,359,892,307	1,746,261,673,889	
Uganda Prisons Services	5,214,426,901	20,048,446,470	3,651,270,464	-	3,207,755,000	32,121,898,835	
Public Service Commission (PSC)	-	66,551,689	372,831,430	396,424,628	83,992,400	919,800,147	
Local Government Finance Commission (LGFC)	-	-	-	-	-	-	
Judicial Service Commission (JSC)	-	-	297,731,242	-	117,414,679	415,145,921	
National Population Council	-	377,746,178	(94,436,543)	-	-	283,309,635	
National Environment Management Authority (NEMA)	-	-	1,186,773,176	28,361,827	-	1,215,135,003	
Uganda Blood Transfusion Services (UBTS)	-	-	2,189,000,003	74,999,797	-	2,263,999,800	
National Agricultural Advisory Services (NAADS)	-	1,298,443,377	584,491,003	42,068,601	7,200,001	1,932,202,982	
Public Procurement and Disposal of Public Assets Authority	-	1,842,156,879	308,904,819	176,540,002	50,000,000	2,377,601,700	
Uganda National Bureau of Standards (UNBS)	-	490,000,000	1,701,199,535	894,067,678	545,422,551	3,630,689,764	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

Agency	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Cotton Development Organization	3,680,000,000	58,200,002	-	156,613,876	580,685,426	4,475,499,304	
Uganda Land Commission (ULC)	234,280,424,272	-	655,500,000	67,529,357	515,701,920	235,519,155,549	
National Forestry Authority (NFA)	-	-	798,700,001	-	28,775,000	827,475,001	
Internal Security Organization (ISO)	1,580,000,000	(10,221,437,478)	18,861,214,728	2,848,420,357	2,870,151,189	15,938,348,796	
External Security Organization (ESO)	-	-	131,250,000	-	584,709,546	715,959,546	
Uganda Coffee Development Authority (UCDA)	-	1,749,433,319	616,898,181	228,720,816	227,235,000	2,822,287,316	
Uganda Free Zones Authority	8,459,448,639	19,785,739,661	142,420,000	3,216,324	27,800,000	28,418,624,624	
Uganda Microfinance Regulatory Authority	-	-	1,483,319,099	182,614,642	-	1,665,933,741	
Uganda Retirements Benefits Regulatory Authority	-	-	-	-	-	-	
National Council for Higher Education	-	-	432,003,771	59,760,618	69,995,297	561,759,686	
Uganda Business and Technical Examination Board	-	6,295,831,367	563,200,000	13,444,000	-	6,872,475,367	
National Council of Sports	-	-	-	-	-	-	
Science, Technology and Innovation	-	-	-	-	-	-	
As at 30 June 2023	**5,084,564,401,882**	**2,394,016,667,050**	**175,960,985,404**	**34,409,751,464**	**255,401,381,037**	**7,944,353,186,837**	
As at 30 June 2022							

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

PUSATIs

PUSATI	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Makerere University	-	11,655,295,797	509,890,000	544,239,327	1,218,320,397	13,927,745.521	
Mbarara University	-	2,018,567,566	455,000,000	32,408,161	103,494,000	2,609,469.727	
Makerere University Business School	-	254,008,391	-	-	173,307,197	427,315.588	
Kyambogo University	-	1,959,378,784	-	283,068,801	364,970,528	2,607,418.113	
Busitema University	-	2,148,599,111	350,361,511	92,217,007	225,699,253	2,816,876.882	
Muni University	-	3,927,944,435	198,954,541	141,943,045	73,494,402	4,342,336.423	
Kabale University	-	991,090,431	-	-	90,000,000	1,081,090.431	
Soroti University	125,440,000	560,018,025	-	347,666,667	150,377,809	1,183,502,501	
Gulu University	4,397,944,205	2,981,039,428	(8,000,139)	28,400,699	427,305,971	7,826,690.164	
Lira University	-	3,564,502,810	204,280,000	-	225,000,002	3,993,782,812	
Law Development Centre.	21,102,695,268	2,957,384,287	303,750,000	70,000,007	1,032,500,202	25,466,329.764	
Uganda Management Institute	-	133,860,000	-	-	89,536,583	223,396,583	
Mountains of the Moon University	-	912,527,455	1,391,000,001	387,613,600	280,156,764	2,971,297.820	
As at 30 June 2023	**25,626,079,473**	**34,064,216,520**	**3,405,235,914**	**1,927,557,314**	**4,454,163,108**	**69,477,252,329**	
As at 30 June 2022							

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

REFERRAL HOSPITALS

Referral Hospital	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Mulago National Referral Hospital	-	4,800,109,010	-	58,204,636	1,293,697,299	6,152,010,945	
Butabika National Referral Mental Hospital	-	10,191,901	-	48,079,840	1,005,216,823	1,063,488,564	
Arua Regional Referral Hospital	-	6,334,176,925	-	-	114,568,686	6,448,745,611	
Fort Portal Regional Referral Hospital	-	-	-	-	193,383,586	193,383,586	
Gulu Regional Referral Hospital	-	-	-	-	-	-	
Hoima Regional Referral Hospital	-	1,876,305,144	(49,961,000)	16,000,000	(132,834,120)	1,709,510,024	
Jinja Regional Referral Hospital	-	137,375,403	-	-	-	137,375,403	
Kabale Regional Referral Hospital	-	856,113,162	-	21,383,252	132,338,184	1,009,834,598	
Masaka Regional Referral Hospital	-	2,368,100,000	-	-	-	2,368,100,000	
Mbale Regional Referral Hospital	-	3,428,878,084	-	-	224,394,353	3,653,272,437	
Soroti Regional Referral Hospital	-	1,037,553,035	-	-	121,533,208	1,159,086,243	
Lira Regional Referral Hospital	-	-	(27,645,520)	21,500,000	110,000,000	103,854,480	
Mbarara Regional Referral Hospital	-	1,550,000,000	-	-	87,128,000	1,637,128,000	
Mubende Regional Referral Hospital	-	106,731,500	-	62,988,100	279,649,755	449,369,355	
Moroto Regional Referral Hospital	-	-	-	-	149,780,970	149,780,970	
China-Uganda Friendship Hospital Naguru	1,000,000,000	(2,122,829)	14,000,000	17,382,005	109,957,171	1,139,216,347	
Kiruddu Specialised National Referral Hospital	-	494,629,705	275,500,000	79,052,655	488,015,317	1,337,197,677	
Kawempe Specialised National Referral Hospital	-	147,326,755	-	119,957,153	476,386,024	743,669,932	
Entebbe Regional Referral Hospital	-	-	-	-	-	-	
Mulago Specialized Women and Neonatal Hospital	-	-	386,262,723	207,182,100	4,843,994,433	5,437,439,256	
Kayunga Regional Referral Hospital	-	-	-	-	-	-	
Yumbe Regional Referral Hospital	-	-	-	-	-	-	
As at 30 June 2023	**1,000,000,000**	**23,145,367,795**	**598,156,203**	**651,729,741**	**9,497,209,689**	**34,892,463,428**	
As at 30 June 2022							

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

EMBASSIES/MISSIONS

Embassy/ Mission	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Uganda Mission at the United Nations, New York	-	-	-	-	-	-	
Uganda High Commission in the United Kingdom	-	-	-	-	-	-	
Uganda High Commission in Canada, Ottawa	-	926,936,857	-	-	-	926,936,357	
Uganda High Commission in India, New Delhi	-	-	-	-	-	-	
Uganda High Commission in Kenya, Nairobi	-	8,984,632,318	-	-	-	8,984,632,318	
Uganda High Commission in Tanzania, Dar	-	-	-	-	-	-	
Uganda High Commission in Nigeria, Abuja	-	3,504,685,136	222,971,568	-	-	3,727,656,704	
Uganda High Commission in South Africa, Pretoria	-	-	-	-	-	-	
Uganda High Commission in Rwanda, Kigali	-	-	-	-	102,145,396	102,145,396	
Uganda Embassy in the United States, Washi	-	71,279,429	-	-	98,582,628	169,862,057	
Uganda Embassy in Egypt, Cairo	-	-	-	-	-	-	
Uganda Embassy in Ethiopia, Addis Ababa	-	-	-	-	-	-	
Uganda Embassy in China, Beijing	-	-	-	42,584,184	(7,859,327)	34,724,357	
Uganda Embassy in Switzerland, Geneva	-	-	-	-	-	-	
Uganda Embassy in Japan, Tokyo	-	-	-	-	-	-	
Uganda Embassy in Saudi Arabia, Riyadh	-	-	-	15,568,230	-	15,568,230	
Uganda Embassy in Denmark, Copenhagen	-	-	-	-	-	-	
Uganda Embassy in Belgium, Brussels	-	-	-	-	-	-	
Uganda Embassy in Italy, Rome	-	-	-	-	104,238,404	104,238,404	
Uganda Embassy in DRC, Kinshasa	-	3,001,184,450	-	-	-	3,001,184,450	
Uganda Embassy in Sudan, Khartoum	-	-	-	-	-	-	
Uganda Embassy in France, Paris	-	6,498,732,718	489,596,258	307,495,126	61,762,388	7,357,586,490	
Uganda Embassy in Germany, Berlin	-	-	-	4,943,016	3,441,287	8,384,303	
Uganda Embassy in Iran, Tehran	-	-	-	-	-	-	
Uganda Embassy in Russia, Moscow	-	-	-	-	-	-	
Uganda Embassy in Australia, Canberra	5,881,054,404	25,247,476	303,408,248	-	-	6,209,710,128	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

Embassy/ Mission	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Uganda Embassy in South Sudan, Juba	-	925,927,594	-	-	-	925,927,594	
Uganda Embassy in United Arab Emirates, Abu Dhabi	-	-	278,902,660	-	-	278,902,660	
Uganda Embassy in Burundi, Bujumbura	-	-	-	-	-	-	
Uganda Consulate in China, Guangzhou	5,790,700,644	-	-	39,445,378	-	5,830,146,022	
Uganda Embassy in Turkey, Ankara	-	-	-	-	-	-	
Uganda Embassy in Somalia, Mogadishu	-	307,689,175	-	193,577,111	103,133,958	604,400,244	
Uganda Embassy in Malaysia, Kuala Lumpur	-	-	-	-	41,099,817	41,099,817	
Uganda Consulate in Kenya, Mombasa	-	1,326,007,243	-	-	175,158,927	1,501,166,170	
Uganda Embassy in Algeria, Algiers	-	-	-	-	38,467,284	38,467,284	
Uganda Embassy in Qatar, Doha	-	-	-	-	-	-	
Uganda Mission in Havana, Cuba	-	-	-	-	-	-	
Uganda Mission in Luanda, Angola	-	-	-	-	-	-	
Uganda Consulate in Arusha, Tanzania	-	-	-	-	-	-	
As at 30 June 2023	**11,671,755,048**	**25,572,322,396**	**1,294,878,734**	**603,613,045**	**720,170,762**	**39,862,739,985**	
As at 30 June 2022							

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

CITIES

City	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Arua City Council	1,929,873,267	32,567,718,180	421,597,165	24,485,174	4,247,195,773	39,190,869,559	
Fort portal City Council	865,074,461	23,727,011,162	327,212,119	8,443,168	177,323,068	25,105,063,978	
Gulu City Council	1,913,690,450	119,895,795,571	811,391,539	20,926,196	81,306,265	122,723,110,021	
Hoima City Council	252,669,561	58,974,295,814	140,774,440	36,900,000	466,745,045	59,871,384,360	
Jinja City Council	290,075,667	41,062,231,150	792,028,888	5,078,086	226,253,211	42,375,667,002	
Lira City Council	33,240,671,480	39,256,557,420	429,999,488	46,703,810	1,182,520,733	74,156,452,931	
Masaka City Council	592,342,972	57,315,894,167	119,672,556	53,328,800	1,100,385,514	59,181,624,009	
Mbale City Council	1,040,793,768	31,874,933,991	209,186,775	7,656,668	36,741,494	33,169,312,696	
Mbarara City Council	4,981,371,079	62,832,909,783	1,477,393,676	(712,753,676)	354,903,217	68,933,824,079	
Soroti City Council	66,045,000,000	34,953,836,315	31,750,000	603,814	398,797,212	101,429,987,341	
As at 30 June 2023	**111,151,562,705**	**502,461,183,553**	**4,761,006,646**	**(508,627,960)**	**8,272,171,532**	**626,137,296,476**	
As at 30 June 2022							

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

MUNICIPAL COUNCILS

Municipal Council	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Apac Municipal Council	103,565,468	13,667,936,351	446,775,209	38,417,547	269,304,344	14,525,998,919	
Bugiri Municipal Council	210,694,160	1,301,271,758	14,196,735	3,513,681	36,766,530	1,566,442,864	
Bushenyi-Ishaka Municipal Council	812,307,801	1,500,276,578	364,771,401	168,239,309	55,863,033	2,901,458,122	
Busia Municipal Council	1,102,178,784	12,675,062,068	123,936,248	35,999,816	217,639,538	14,154,816,454	
Entebbe Municipal Council	-	-	-	-	-	-	
Ibanda Municipal Council	-	1,730,577,097	73,351,657	222,060	95,743,385	1,899,894,199	
Iganga Municipal Council	3,175,066,447	2,563,677,959	3,116,688,433	20,003,104	231,509,455	9,106,945,398	
Kabale Municipal Council	27,473,000,000	31,262,417,482	25,638,302	35,597,604	235,692,646	59,032,346,034	
Kamuli Municipal Council	199,780,822	17,460,888,410	248,836,961	4,800,000	135,355,421	18,049,661,614	
Kapchorwa Municipal Council	17,911,350	1,465,666,716	99,406,579	(89,891,101)	150,321,050	1,643,414,594	
Kasese Municipal Council	-	39,823,799,012	502,071,732	(220,898,377)	481,140,293	40,586,112,660	
Kira Municipal Council	731,212,766	16,151,723,648	1,526,500,187	83,550,632	185,375,753	18,678,362,986	
Kisoro Municipal Council	173,635,999	1,713,718,726	5,000,000	-	5,744,767	1,898,099,492	
Kitgum Municipal Council	149,900,000	30,623,373,699	130,912,949	25,809,523	121,411,869	31,051,408,040	
Koboko Municipal Council	957,568,457	11,067,617,269	98,149,985	(73,505,100)	573,527,704	12,623,358,315	
Kotido Municipal Council	23,050,000	1,403,064,468	27,966,372	(13,830,600)	20,390,077	1,460,640,317	
Kumi Municipal Council	-	-	-	-	-	-	
Lugazi Municipal Council	365,526,426	3,918,171,210	301,789,254	11,140,704	198,759,813	4,795,387,407	
Makindye Ssabagabo Municipal Council	2,030,580,360	23,719,163,956	1,214,331,833	18,975,929	541,532,935	27,524,585,013	
Masindi Municipal Council	1,612,500,000	4,732,109,833	(79,365,234)	18,034,720	284,585,604	6,567,864,923	
Mityana Municipal Council	253,700,000	2,283,610,306	2,513,936	45,375,198	90,594,178	2,675,793,618	
Moroto Municipal Council	100,000,000	12,250,567,313	48,387,678	-	108,873,638	12,507,828,629	
Mubende Municipal Council	309,300,000	28,166,215,543	181,246,976	56,200,439	209,040,940	28,922,003,898	
Mukono Municipal Council	6,543,000,000	6,211,565,820	236,297,709	54,002,105	216,472,114	13,261,337,748	
Nansana Municipal Council	1,072,500,367	15,613,458,085	589,889,729	62,992,076	461,228,446	17,800,068,703	
Nebbi Municipal Council	165,256,166	1,540,854,673	38,017,784	2,553,535	18,586,792	1,765,268,950	
Njeru Municipal Council	2,547,594,805	3,449,326,882	97,264,732	-	78,904,825	6,173,091,244	
Ntungamo Municipal Council	-	-	-	-	-	-	
Rukungiri Municipal Council	-	2,092,585,111	222,804,008	-	2,782,997	2,318,172,116	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

Municipal Council	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Sheema Municipal Council	-	2,924,518,934	(288,744,978)	12,400,000	61,408,620	2,709,582,576	
Tororo Municipal Council	-	-	-	-	-	-	
As at 30 June 2023	**50,129,830,178.00**	**291,313,218,907.00**	**9,368,636,177.00**	**299,702,804.00**	**5,088,556,767.00**	**356,199,944,833.00**	
As at 30 June 2022							

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

DISTRICT LOCAL GOVERNMENTS

District Local Government	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Abim District Local Government	-	1,429,810,359	195,287,257	-	30,168,000	1,655,265,616	
Adjumani District Local Government	-	1,925,337,096	-	-	96,016,600	2,021,353,696	
Agago District Local Government	-	-	-	-	-	-	
Alebtong District Local Government	-	3,442,113,198	48,450,000	-	622,219,442	4,112,782,640	
Amolatar District Local Government	-	2,304,720,206	42,750,000	-	35,004,964	2,382,475,170	
Amudat District Local Government	-	182,096,414	-	-	38,692,661	220,789,075	
Amuria District Local Government	-	5,316,209,742	27,758,371	-	540,110,542	5,884,078,655	
Amuru District Local Government	-	66,363,732	230,689,834	-	394,908,897	691,962,463	
Apac District Local Government	-	289,150,810	16,940,302	-	-	306,091,112	
Arua District Local Government	-	6,055,354,995	-	5,600,000	81,345,040	6,142,300,035	
Budaka District Local Government	7,099,000	1,477,040,330	-	-	1,017,313,620	2,501,452,950	
Bududa District Local Government	-	-	-	-	-	-	
Bugiri District Local Government	-	-	-	-	-	-	
Bugweri District Local Government	-	2,006,386,901	-	-	32,334,050	2,038,720,951	
Buhweju District Local Government	77,006,022	4,646,921,947	-	-	60,708,043	4,784,636,012	
Buikwe District Local Government	127,414,849	2,533,066,539	184,958,338	-	4,800,000	2,850,239,726	
Bukedea District Local Government	-	-	-	-	-	-	
Bukomansimbi District Local Government	32,670,000	316,809,079	-	-	7,055,996	356,535,075	
Bukwo District Local Government	-	4,661,480,963	27,200,000	-	162,791,000	4,851,471,963	
Bulambuli District Local Government	167,369,219	6,361,656,611	19,025,000	(749,999)	99,530,209	6,646,831,040	
Bulisa District Local Government	-	318,987,454	-	-	61,096,600	380,084,054	
Bundibugyo District Local Government	-	2,252,051,951	24,621,007	-	554,573,015	2,831,245,973	
Bunyagabu District Local Government	24,595,818	2,161,845,320	-	-	112,825,865	2,299,267,003	
Bushenyi District Local Government	-	2,864,013,996	12,784,000	6,803,600	23,008,001	2,906,609,597	
Busia District Local Government	-	3,301,454,207	-	(290,000)	412,885,415	3,714,049,622	
Butaleja District Local Government	-	1,624,726,608	13,137,500	-	-	1,637,864,108	
Butambala District Local Government	20,000,001	-	119,700,000	-	131,299,683	270,999,684	
Butebo District Local Government	-	1,560,526,620	13,000,000	123,050,396	90,400,875	1,786,977,891	
Buvuma District Local Government	-	7,496,380,493	-	-	136,892,398	7,633,272,891	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Government	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Buyende District Local Government	-	1,690,031,030	31,999,999	-	62,678,917	1,784,709,946	
Dokolo District Local Government	-	3,732,623,275	-	-	(96,001,209)	3,636,622,066	
Gomba District Local Government	30,000,000	1,167,250,570	-	8,372,003	288,016,961	1,493,639,534	
Gulu District Local Government	-	1,847,599,432	6,375,000	-	26,621,000	1,880,595,432	
Hoima District Local Government	-	1,609,431,212	243,395,455	-	34,966,080	1,887,792,747	
Ibanda District Local Government	-	2,394,012,222	-	-	96,285,713	2,490,297,935	
Iganga District Local Government	-	635,752,619	-	-	69,417,167	705,169,786	
Isingiro District Local Government	-	185,330,895	16,452,421	-	-	201,783,316	
Jinja District Local Government	-	4,923,813,391	19,715,842	-	35,114,457	4,978,643,690	
Kaabong District Local Government	97,298,497	463,705,260	117,264,353	-	373,537,632	1,051,805,742	
Kabale District Local Government	-	1,441,585,281	29,574,714	-	17,075,000	1,488,234,995	
Kabarole District Local Government	-	1,304,584,264	20,400,000	-	(3,956,496)	1,321,027,768	
Kaberamaido District Local Government	18,000,000	1,484,173,526	-	-	289,216,191	1,791,389,717	
Kagadi District Local Government	-	605,429,403	-	-	-	605,429,403	
Kakumiro District Local Government	38,655,000	6,792,157,893	-	-	144,479,026	6,975,291,919	
Kalaki District Local Government	-	-	-	-	-	-	
Kalangala District Local Government	50,993,782	3,663,141,283	-	-	-	3,714,135,065	
Kaliro District Local Government	-	1,333,371,832	-	-	19,777,802	1,353,149,634	
Kalungu District Local Government	71,500,000	538,897,056	31,312,363	-	-	641,709,419	
Kamuli District Local Government	-	6,696,324,547	24,000,000	-	144,040,201	6,864,364,748	
Kamwenge District Local Government	1,334,619,879	17,350,497,663	242,304,000	-	279,564,447	19,206,985,989	
Kanungu District Local Government	25,000,000	2,468,798,013	-	-	424,276,979	2,918,074,992	
Kapchorwa District Local Government	-	6,409,100	-	-	141,072,947	147,482,047	
Kapelebyong District Local Government	-	1,919,998,800	15,000,000	-	207,094,776	2,142,093,576	
Karenga District Local Government	-	708,858,943	64,000,000	-	21,600,000	794,458,943	
Kasanda District Local Government	11,000,000	4,666,057,517	11,274,015	-	119,183,258	4,807,514,790	
Kasese District Local Government	-	1,717,214,720	-	-	104,915,449	1,822,130,169	
Katakwi District Local Government	-	2,055,547,849	13,200,000	-	250,597,391	2,319,345,240	
Kayunga District Local Government	24,697,444	5,755,168,255	-	-	224,523,671	6,004,389,370	
Kazo District Local Government	-	3,260,091,966	-	-	-	3,260,091,966	
Kibale District Local Government	-	4,041,718,617	26,509,510	(8,632,250)	38,299,152	4,097,895,029	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Government	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Kiboga District Local Government	84,023,628	799,223,608	17,599,922	(899,456)	(42,618,648)	857,329,054	
Kibuku District Local Government	8,633,573	3,545,560,103	-	-	125,758,982	3,679,952,658	
Kikuube District Local Government	-	-	-	-	-	-	
Kiruhura District Local Government	-	4,410,498,258	24,031,680	-	315,641,406	4,750,171,344	
Kiryandongo District Local Government	-	-	-	-	-	-	
Kisoro District Local Government	-	1,854,482,015	33,919,800	7,000,000	7,369,651	1,902,771,466	
Kitagwenda District Local Government	-	1,341,609,716	24,800,000	-	6,160,000	1,372,569,716	
Kitgum District Local Government	-	2,475,225,923	-	-	45,126,112	2,520,352,035	
Koboko District Local Government	-	-	-	-	-	-	
Kole District Local Government	-	480,683,905	35,187,500	-	1,200,000	517,071,405	
Kotido District Local Government	-	58,583,443	-	-	-	58,583,443	
Kumi District Local Government	7,000,000	929,430,744	-	-	160,451,250	1,096,881,994	
Kwania District Local Government	-	1,391,189,984	6,895,000	-	233,351,108	1,631,436,092	
Kween District Local Government	25,000,000	4,932,720,504	-	-	434,275,000	5,391,995,504	
Kyankwanzi District Local Government	19,447,773	4,048,334,658	27,000,000	-	348,687,736	4,443,470,167	
Kyegegwa District Local Government	115,069,664	11,849,739,780	40,890,000	-	11,598,015	12,017,297,459	
Kyenjojo District Local Government	122,277,550	4,570,485,472	9,584,000	51,039,578	95,230,142	4,848,616,742	
Kyotera District Local Government	-	-	-	-	-	-	
Lamwo District Local Government	-	3,560,022,243	-	-	92,783,500	3,652,805,743	
Lira District Local Government	-	3,064,930,804	-	23,240,000	244,787,611	3,332,958,415	
Luuka District Local Government	-	370,492,686	-	-	-	370,492,686	
Luwero District Local Government	48,305,700	2,536,686,815	155,801,665	42,823,830	230,658,593	3,014,276,603	
Lwengo District Local Government	1,498,850,000	5,454,346,864	778,691,882	139,401,209	546,567,062	8,417,857,017	
Lyantonde District Local Government	5,997,800	1,994,229,084	10,760,000	(1,600,000)	68,131,740	2,077,518,624	
Madi-Okollo District Local Government	-	-	-	-	-	-	
Manafwa District Local Government	4,000,000	4,375,628,679	-	(121,000,000)	1,161,366,057	5,419,994,736	
Maracha-Terego District Local Government	50,000,255	3,509,543,033	8,051,976	-	17,567,576	3,585,162,840	
Masaka District Local Government	17,819,790	1,247,332,135	-	2,360,400	11,430,094	1,278,942,419	
Masindi District Local Government	-	1,197,852,852	16,800,000	-	12,902,790	1,227,555,642	
Mayuge District Local Government	221,077,169	4,897,980,984	-	5,432,000	538,329,297	5,662,819,450	
Mbale District Local Government	193,034,360	2,916,287,502	-	-	179,319,286	3,288,641,148	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Government	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Mbarara District Local Government	4,996,247	2,456,910,839	211,545,500	6,857,000	26,303,345	2,706,612,931	
Mitooma District Local Government	-	14,695,104,899	31,706,503	-	218,137,773	14,944,949,175	
Mityana District Local Government	9,999,930	566,000,712	53,799,000	-	20,000,000	649,799,642	
Moroto District Local Government	-	2,443,794,387	17,200,000	-	10,000,000	2,470,994,387	
Moyo District Local Government	117,700,783	4,439,961,500	-	-	122,516,988	4,680,179,271	
Mpigi District Local Government	1,404,200,000	2,169,987,567	10,360,000	23,930,000	50,725,637	3,659,203,204	
Mubende District Local Government	-	5,402,818,150	-	-	(78,495,611)	5,324,322,539	
Mukono District Local Government	-	3,707,804,667	35,100,500	17,536,715	230,256,471	3,990,698,353	
Nabilatuk District Local Government	-	-	-	-	-	-	
Nakapiripiri District Local Government	7,678,000	3,544,921,955	-	-	-	3,552,599,955	
Nakaseke District Local Government	36,000,000	2,423,045,414	144,070,000	9,791,840	77,557,905	2,690,465,159	
Nakasongola District Local Government	-	69,304,360	29,352,675	(3,535,945)	16,857,644	111,978,734	
Namayingo District Local Government	83,879,750	2,674,442,506	56,250,002	37,149,998	1,012,178,525	3,863,900,781	
Namisindwa District Local Government	-	2,301,818,184	-	-	-	2,301,818,184	
Namutamba District Local Government	40,237,179	3,423,752,601	11,235,000	-	3,712,455	3,478,937,235	
Napak District Local Government	-	1,783,853,757	-	-	-	1,783,853,757	
Nebbi District Local Government	90,000,000	1,682,323,892	27,991,200	-	5,017,400	1,805,332,492	
Ngora District Local Government	-	1,102,816,231	-	(392,055)	18,396,244	1,120,820,420	
Ntoroko District Local Government	260,000,000	2,438,037,797	-	-	19,200,000	2,717,237,797	
Ntungamo District Local Government	-	-	-	-	-	-	
Nwoya District Local Government	-	3,725,901,771	-	-	29,969,600	3,755,871,371	
Obongi District Local Government	-	-	-	-	-	-	
Omoro District Local Government	-	1,545,586,541	-	-	3,839,811	1,549,426,352	
Otuke District Local Government	-	1,745,361,051	15,000,000	-	47,172,000	1,807,533,051	
Oyam District Local Government	62,641,600	5,854,603,287	65,384,298	(1,700,000)	370,265,620	6,351,194,805	
Pader District Local Government	-	2,714,219,570	25,700,000	-	267,153,176	3,007,072,746	
Pakwach District Local Government	-	2,869,063,830	-	-	54,856,400	2,923,920,230	
Pallisa District Local Government	-	941,434,301	-	-	516,492,713	1,457,927,014	
Rakai District Local Government	44,765,000	2,506,071,960	30,600,000	-	455,427,807	3,036,864,767	
Rubanda District Local Government	-	160,797,523	-	-	11,600,000	172,397,523	
Rubirizi District Local Government	-	68,764,432	55,124,999	-	78,248,966	202,138,397	

Statement of stores and other assets (physical assets) acquired, by vote during the year ended 30 June 2023 [As submitted and signed by Accounting Officers]

District Local Government	Non-Produced Assets Shs	Buildings and Structures Shs.	Transport Equipment Shs.	ICT Equipment Shs.	Other Machinery and Equipment Shs.	Total value of fixed asset acquired 30 June 2023 Shs.	Total value of PPE purchased – 30 June 2022 Shs.
Rukiga District Local Government	-	2,396,890,501	-	-	74,189,000	2,471,079,501	
Rukungiri District Local Government	-	4,286,102,306	209,158,000	(33,843,600)	(53,126,012)	4,408,290,694	
Rwampara District Local Government	-	1,026,175,253	-	-	-	1,026,175,253	
Sembabule District Local Government	-	3,282,467,594	33,779,799	8,624,746	33,546,000	3,358,418,139	
Serere District Local Government	-	3,042,119,555	-	-	105,074,068	3,147,193,623	
Sheema District Local Government	-	2,180,417,046	-	-	-	2,180,417,046	
Sironko District Local Government	98,960,836	2,249,609,577	-	-	136,655,100	2,485,225,513	
Soroti District Local Government	144,379,452	4,394,748,327	17,342,128	(9,071,250)	41,791,000	4,589,189,657	
Terego District Local Government	-	9,572,779,247	-	-	-	9,572,779,247	
Tororo District Local Government	40,000,000	4,024,595,148	35,968,000	4,000,000	196,104,040	4,300,667,188	
Wakiso District Local Government	6,530,400,000	10,226,307,317	-	-	-	16,756,707,317	
Yumbe District Local Government	338,636,856	18,190,982,128	-	-	56,273,003	18,585,891,987	
Zombo District Local Government	-	-	-	-	-	-	
As at 30 June 2023	**13,892,932,406.00**	**373,198,881,482.00**	**4,195,760,310.00**	**341,298,760.00**	**17,082,348,856.00**	**408,711,221,814**	
As at 30 June 2022							

Government of the Republic of Uganda

Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the year ended 30 June 2023

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
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Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023

Commentary on the Financial Performance by the Accountant General

The Summary Statement of Financial Performance set out on pages 5 to 9 has been prepared in accordance with the provisions of the Public Finance Management Act, 2015 [PFMA].

Under Section 52(1) c of the PFMA, the Accountant General is required to prepare and submit a consolidated Summary Statement of Financial Performance of public corporations, state enterprises and companies where Government has a controlling interest.

Public corporations are defined by the PFMA 2015 as (a) authorities established by an Act of Parliament other than a local government, which receive a contribution from public funds, or the operations of which may, under the Act establishing it or any Act relating to it, impose or create a liability upon public funds, and (b) any public body which in a financial year receives any income from public funds.

Below is a summary of the Public Corporations, State Enterprises and Companies where Government has a controlling interest.

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023

Public Corporations

	Name	% Share holding	Responsible MDA
1	Bank of Uganda	100%	Ministry of Finance, planning and Econ. Development
2	Electricity Regulatory Authority	100%	Ministry of Energy and Mineral Development
3	Insurance Regulatory Authority of Uganda	100%	Ministry of Education and Sports
4	National Enterprises Corporation	100%	Ministry of Defence and Veteran Affairs
5	National Drug Authority	100%	Ministry of Health
6	National Water & Sewerage Corporation	100%	Ministry of Water and Environment
7	Uganda Air Cargo Corporation	100%	Ministry of Works and Housing
8	Uganda Civil Aviation Authority	100%	Ministry of Works and Housing
9	Uganda Communications Commission	100%	Ministry of ICT
10	Uganda Development Corporation	100%	Ministry of Trade, Industry and Cooperatives
11	Uganda Printing and Publishing Corporation	100%	Office of the President
12	Uganda Railways Corporation	100%	Ministry of Works and Transport
13	Uganda Wildlife Authority	100%	Ministry of Tourism, Wildlife and Heritage
14	Uganda Wildlife Conservation Education Centre	100%	Ministry of Tourism, Wildlife and Heritage
15	Deposit Protection Fund of Uganda	100%	Ministry of Finance, Planning and Economic Development

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023

State Enterprises

	Name	% Share holding	Responsible MDA
1	Dairy Corporation Limited	100%	Ministry of Agriculture, Animal Industry and Fisheries
2	Kiira Motors Corporation Limited	100%	Office of the president
3	Mandela Stadium Limited	100%	Ministry of Education and Sports
4	Micro Finance Support Centre Uganda Limited	100%	Ministry of Finance, planning and Econ. Development
5	Post Bank Uganda Limited	100%	Ministry of Finance, planning and Econ. Development
6	Pride Micro Finance Limited	100%	Ministry of Finance, planning and Econ. Development
7	Uganda Post Limited	100%	Ministry of Finance, planning and Econ. Development
8	Uganda Broadcasting Corporation Limited	100%	Ministry of ICT
9	Uganda Crane Industries Limited	100%	Ministry of Education and Sports
10	Uganda Development Bank Limited	100%	Ministry of Finance, planning and Econ. Development
11	Uganda Electricity Distribution Company Limited	100%	Ministry of Energy and Mineral Development
12	Uganda Electricity Generation Company Limited	100%	Ministry of Energy and Mineral Development
13	Uganda Electricity Transmission Company Ltd	100%	Ministry of Energy and Mineral Development
14	Uganda Livestock Industries Limited	100%	Ministry of Agriculture, Animal Industry and Fisheries
15	Uganda National Airlines Company Limited	100%	Ministry of Works and Transport
16	Uganda National Oil Company Limited (UNOC)	100%	Ministry of Finance and Ministry of Energy
17	Uganda Printing and Publishing Corporation Limited	100%	Office of the President
18	Uganda Property Holdings Limited	100%	Ministry of Trade, Industry and Cooperatives
19	Uganda Refinery Holding Company Limited – UNOC	100%	Subsidiary of UNOC
20	Uganda national Pipeline Company Limited - UNOC	100%	Subsidiary of UNOC
21	Uganda Seeds Limited	100%	Ministry of Agriculture, Animal Industry and Fisheries
22	Production Enterprises Corporations Limited	100%	Ministry of Finance, Planning and Econ. Development
23	Kampala Industrial and Business Park Ltd	100%	Uganda Investment Authority
24	Kilembe Mines Limited	99.006%	Ministry of Finance and Ministry of Energy
25	Science and Technology Equipment Production (unit) Ltd	85.37%	National Curriculum and Development Centre

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023

	Name	**% Share holding**	**Responsible MDA**
26	New Vision Printing & Publishing Company Ltd	53.20%	Ministry of Finance, planning and Econ. Development
27	National Housing & Construction Company Ltd	51%	Ministry of Finance, planning and Econ. Development
28	UGMA Engineering Corporation Limited	51%	Ministry of Finance, planning and Econ. Development
29	Housing Finance Investments	50%	Ministry of Finance, planning and Econ. Development
30	Housing Finance Bank Limited	49%	Ministry of Finance, planning and Econ. Development
31	Nakivubo War Memorial Stadium (Concession)	-	Ministry of Education and Sports
32	Bujagali Energy Limited (Concession)	-	Ministry of Energy and Mineral Development
33	Enterprise Uganda Limited (Company Limited by Guarantee)	-	Ministry of Finance, planning and Econ. Development
34	Uganda Energy Credit Capitalisation Company (Company Limited by Guarantee)	-	Ministry of Energy and Mineral Development
35	Uganda Air Cargo Corporation Limited	100%	Ministry of Defense and Veteran Affairs
36	Tropical Africa Bank Limited	0.001%	Ministry of Finance, planning and Econ. Development

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023

For the Financial year ended 30 June 2023, Government had controlling interest in 14 Public Corporations and 36 State Enterprises. Of the 36 State Enterprises, 2 Companies are limited by Guarantee and were not consolidated, 2 are run as Concessions, while 11 others are either dormant or management cannot be traced. All Public Corporations submitted the Summary Statement of Financial Performance and only 3 of the 21 active State Enterprises did not submit in time for consolidation, namely;

1. Uganda Seeds Limited
2. Uganda Livestock Industries Limited
3. UGMA Engineering Corporation Limited

Included in the GoU Consolidated Summary Statement is the Summary Statement of Financial Performance from Uganda Development Corporation with investments on behalf of Government in the following entities;

1. Nile Hotel International Limited
2. Munyonyo Common Wealth Resort
3. Speke Resort Convention Center Ltd
4. Amber House
5. Development House
6. Pheonix Logistics
7. Embassy House
8. Tri-star Apparels Limited
9. Abubaker Technical Services Ltd
10. Kalangala Infrastructure Services Ltd
11. Mabale Growers Tea Factory Limited
12. Kigezi Highland Tea Limited
13. Kayonza Tea Factory Limited
14. Horyal Investment Holding Company Limited
15. Soroti Fruits Factory Limited
16. Kaaro Koffi Limited
17. Uganda National Commodity exchange
18. Budadiri Arabica Coffee Mills Limited
19. Mutuma Commercial Agencies
20. Mpanga Growers Tea Factory Limited
21. Bukona Agroprocessors Limited

The presentation format will regularly be revised to cater for the emerging information requirements of the various stakeholders.

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Lawrence Semakula
Accountant General

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023.

Summary of Financial Performance for the year ended 30 June 2023

Public Corporations

	Operating Revenue	Operating Expenses	Other Gains and losses	Surplus/Deficit	Dividends Declared	Dividends paid to Government
Bank of Uganda	1,168,152,270,533	696,751,238,533	(193,650,220,804)	277,750,811,196	-	-
Electricity Regulatory Authority	37,892,297,296	37,605,779,282	(93,119,532)	193,398,482	-	-
Insurance Regulatory Authority of Uganda	24,559,539,040	24,119,391,540	-	440,147,500	-	-
National Enterprises Corporation	232,952,610,972	215,467,779,050	-	17,484,831,922	-	-
National Drug Authority	82,616,337,562	80,658,955,112	(665,432,492)	1,291,949,958	-	-
National Water & Sewerage Corporation	543,079,394,000	606,022,168,000	-	(62,942,774,000)	-	-
Uganda Civil Aviation Authority	276,857,023	323,343,368	6,529,666	(39,956,679)	-	-
Uganda Communications Commission	154,656,586,435	126,602,788,206	-	28,053,798,229	-	-
Uganda Development Corporation	26,568,201,434	24,863,793,589	(2,360,986,547)	(656,578,702)	-	-
Uganda Printing and Publishing Corporation	7,010,538,989	10,087,513,407	5,425,614,354	2,348,639,936	-	-
Uganda Railways Corporation	30,463,410,599	63,290,666,880	27,614,953	(32,799,641,328)	-	-
Uganda Wildlife Authority	178,848,713,288	125,639,099,792	(22,656,389)	53,186,957,107	-	-
Uganda Wildlife Conservation Education Centre	15,872,997,825	14,939,400,877	-	933,596,948	-	-
Deposit Protection Fund Uganda	235,522,913,226	21,486,396,356	39,092,617,882	253,129,134,752	-	-
Subtotal- Public Corporations	**2,738,472,668,222**	**2,047,858,313,992**	**(152,240,038,909)**	**538,374,315,321**	**-**	**-**

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023.

State Enterprises

	Operating Revenue	Operating Expenses	Other Gains and losses	Surplus/Deficit	Dividends Declared	Dividends paid to Government
Kiira Motors Corporation Limited	2,146,566,044	15,089,514,264		(12,942,948,220)	-	-
Mandela Stadium Limited	5,299,221,405	2,996,806,239		2,302,415,166	-	-
The Micro Finance Support Centre Ltd	113,245,272,000	105,637,062,000	(2,014,430,000)	5,593,780,000	-	-
Post Bank Uganda Limited	96,137,260,000	78,403,803,000	(6,497,194,000)	11,236,263,000	-	-
Pride Micro Finance Limited	56,123,189,000	50,256,284,000	(4,812,412,000)	1,054,493,000	-	-
Uganda Post Limited	13,511,963,660	13,114,799,245		397,164,415	-	-
Uganda Broadcasting Corporation Limited	21,029,460,906	34,080,492,992	(297,013,571)	(13,348,045,657)	-	-
Uganda Electricity Distribution Company Limited	88,680,830,000	91,820,805,000	-	(3,139,975,000)	-	-
Uganda Electricity Generation Company Limited	299,885,411,000	246,136,138,000	(3,197,480,000)	50,551,793,000	-	-
Uganda Electricity Transmission Company Limited	195,572,872,195	126,646,602,544	(71,348,503,774)	(2,422,234,123)	-	-
Uganda National Airlines Company Limited	239,475,695,578	570,960,807,033	-	(331,485,111,455)	-	-
Uganda National Oil Company Limited	50,522,668,371	52,431,888,044	(2,760,186,657)	(4,669,406,330)	-	-
Uganda Property Holdings Limited	10,077,581,387	7,409,396,003	(667,182,643)	2,001,002,741	-	-
Kilembe Mines Limited	1,824,146,991	4,217,039,631		(2,392,892,640)	-	-
New Vision Printing & Publishing Company Limited	89,622,757,500	95,239,556,850	549,960,140	(5,066,839,210)	-	-
National Housing & Construction Company Limited	25,861,039,000	23,218,254,000	(36,339,000)	2,606,446,000	-	-
Housing Finance Bank Ltd	290,155,023,000	211,036,597,000	(14,060,832,000)	65,057,594,000	29,229,903,000	10,075,791,850
Uganda Air Cargo Limited	10,709,547,651	21,253,842,416	52,652,360	(10,491,642,405)	-	-
Uganda Seeds Limited	-	-	-	-	-	-
Uganda Livestock Industries Limited	-	-	-	-	-	-
UGMA Engineering Corporation Limited	-	-	-	-	-	-
Sub-Total State Enterprises	**1,609,880,505,688**	**1,749,949,688,261**	**(105,088,961,145)**	**(245,158,143,718)**	**29,229,903,000**	**10,075,791,850**

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023.

State Enterprises- Financial Year ended December 31, 2022

	Operating Revenue	Operating Expenses	Other Gains and losses	Surplus/Deficit	Dividends Declared	Dividends paid to Government
Uganda Development Bank Limited	129,198,247,000	67,460,987,000	-19,172,132,000	42,565,128,000	-	-

Summary of Financial Position and Net Worth for the year ended 30 June 2023
Public Corporations

	Retained Earnings	Share Capital	Other reserves	Financial Assets	Non-Financial Assets	Liabilities	Net Worth
Bank of Uganda	1,641,717,935,940	20,000,000,000	2,396,101,829,378	26,627,470,100,863	420,946,444,431	22,990,596,779,976	4,057,819,765,318
Electricity Regulatory Authority	(31,851,441,428)	(280,000,000)	(5,241,410,431)	28,760,939,780	37,206,745,310	28,594,833,230	37,372,851,860
Insurance Regulatory Authority of Uganda	57,939,939,354	-	-	23,743,439,764	48,159,048,592	13,962,549,003	57,939,939,353
National Enterprises Corporation	26,782,481,820	148,943,032,873	-	257,186,943,337	112,060,570,917	159,224,995,867	210,022,518,387
National Drug Authority	140,433,385,511	-	-	130,781,606,713	27,952,824,967	18,301,046,168	140,433,385,512
National Water & Sewerage Corporation	918,711,424,000	410,889,416,000	-	719,895,299,000	3,614,379,435,000	3,004,673,895,000	1,329,600,839,000
Uganda Civil Aviation Authority	230,029,272	191,180,641	1,859,782,382	301,626,188	3,423,632,864	1,444,266,757	2,280,992,295
Uganda Communications Commission	55,365,097,141	86,078,905,360	-	111,336,368,508	117,466,294,162	87,358,660,169	141,444,002,501
Uganda Development Corporation	(20,159,474,246)	180,689,291,481	867,211,535,754	799,157,110,626	244,254,702,074	15,670,459,710	1,027,741,352,990
Uganda Printing and Publishing Corporation	14,120,971,814	16,213,505,249	-	30,557,229,424	6,741,908,803	6,964,661,164	30,334,477,063
Uganda Railways Corporation	(339,577,268,321)	(189,990,705,750)	3,786,507,165,880	151,256,848,267	3,714,760,170,506	229,149,481,862	3,636,867,536,911
Uganda Wildlife Authority	131,747,991,811	33,531,382,184	-	161,955,872,797	73,424,110,649	70,100,609,451	165,279,373,995
Uganda Wildlife Conservation Education Centre	14,065,202,376	103,924,750,660	-	200,580,989	117,491,916,660	297,455,387	117,395,042,262
Deposit Protection Fund	1,349,432,258,753	-	-	1,396,999,992,666	7,999,930,138	55,567,663,601	1,349,432,259,203
Subtotal- Public Corporations	**3,958,958,533,797**	**810,190,758,698**	**7,046,438,902,963**	**30,439,603,958,922**	**8,546,267,735,073**	**26,681,907,357,345**	**12,303,964,336,650**

Government of the Republic of Uganda
Consolidated Summary Statement of Financial Performance of Public Corporations and State Enterprises
For the Financial Year ended 30 June 2023.

State Enterprises

	Retained Earnings	Share Capital	Other reserves	Financial Assets	Non-Financial Assets	Liabilities	Net Worth
Kiira Motors Corporation Ltd	(38,022,277,658)	338,214,119,801	-	73,341,477,904	227,494,569,375	644,205,136	300,191,842,143
Mandela Stadium Limited	260,592,421,689	100,000,000	-	54,418,270,946	207,465,009,741	1,190,858,998	260,692,421,689
The Micro Finance Support Centre Ltd	(55,258,872,000)	310,966,475,000	-	312,163,495,000	7,144,955,000	63,600,848,000	255,707,602,000
Post Bank Uganda Limited	11,236,264,000	132,664,208,000	2,952,941,000	1,171,573,267,000	100,139,336,000	1,124,859,192,000	146,853,411,000
Pride Micro Finance Limited	134,375,549,000	25,207,350,000	-	410,267,864,000	33,551,542,000	284,236,507,000	159,582,899,000
Uganda Post Limited	50,902,915,061	19,487,176,000	-	23,159,030,380	76,702,518,548	29,471,457,865	70,390,091,063
Uganda Broadcasting Corporation Limited	12,525,446,450	293,459,761,729	-	34,285,724,040	325,881,477,667	54,181,993,527	305,985,208,180
Uganda Electricity Distribution Company Limited	(76,194,972,000)	249,968,844,000	-	150,762,679,000	1,786,335,115,000	1,763,323,922,000	173,773,872,000
Uganda Electricity Generation Company Limited	(20,542,855,000)	931,705,943,000	-	148,103,133,000	7,543,523,557,000	6,780,463,599,000	911,163,091,000
Uganda Electricity Transmission Company Limited	256,647,034,108	1,530,665,130,266	-	1,672,738,454,138	4,051,380,535,016	3,876,806,824,879	1,847,312,164,275
Uganda National Airlines Co Ltd	844,996,739,000	200,000,000	-	104,647,145,598	888,146,929,490	141,174,835,722	851,619,239,366
Uganda National Oil Company Lt	(6,025,194,855)	10,015,000,000	122,617,841,251	1,902,419,522,887	6,844,333,104	629,612,777,526	1,279,651,078,465
Uganda Property Holdings Ltd	24,344,996,803	15,518,866,583	255,822,892,655	6,743,373,353	289,493,525,732	550,143,044	295,686,756,041
Kilembe Mines Limited	(24,519,873,464)	190,000,000	29,198,554,442	7,657,558,876	28,735,161,595	8,181,134,513	28,211,585,958
New Vision Printing & Publishing Company Limited	29,965,498,520	1,503,990,000	29,995,255,000	58,138,024,960	59,522,387,000	56,195,666,660	61,464,745,300
National Housing & Construction Company Limited	444,520,004,000	103,040,000,000	35,098,271,000	29,804,258,000	624,947,684,000	72,093,668,000	582,658,274,000
Housing Finance Bank Ltd	192,212,506,000	122,000,000,000	-	1,681,234,825,000	69,457,763,000	1,436,480,082,000	314,212,506,000
Uganda Air Cargo Corporation		16,288,145,818	-	24,436,898,162	78,966,772,020	7,468,544,782	95,935,125,400
Uganda Seeds Limited	-	-	-	-	-	-	-
Uganda Livestock Industries Ltd	-	-	-	-	-	-	-
UGMA Engineering Corporation	-	-	-	-	-	-	-
Sub-Total State Enterprises	**2,041,755,329,654**	**4,101,195,010,197**	**475,685,755,348**	**7,865,895,002,244**	**16,405,733,171,288**	**16,330,536,260,652**	**7,941,091,912,880**

Government of the Republic of Uganda
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For the Financial Year ended 30 June 2023.

State Enterprises- Financial Year ended December 31, 2022

	Retained Earnings	Share Capital	Other reserves	Financial Assets	Non-Financial Assets	Liabilities	Net Worth
Uganda Development Bank Limited	165,871,267,000	1,029,095,199,000	33,785,794,000	1,468,409,203,000	51,709,327,000	291,366,270,000	1,228,752,260,000

Further details about the operations of these entities shall be obtained from the audited financial statements of the respective entities.

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Lawrence Semakula
Accountant General